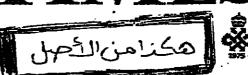


FINANCIALTIMES

Monday December 18 1978





CONTINENTAL SELLING PRICES: AUSTRIA SEL 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.0; GERMANY DM 2.0; ITALY £ 500; NETHERLANDS FI 2.0; NORWAY Kr 3.5; PORTUGAL Est 20; SPAIN Pts 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

Police warning over **bombs**

Police are warning the public to take special care with letters and parcels after the wave of bombings in five English cities

early yesterday. The explosions—in Liverpool, Coventry, Manchester, Bristol and Southampton carry the hallmarks of the Provisional IRA according to senior police the two currencles. Back Page

Nine people were injured in the blasts, which caused extensive damage to property. No warnings were given. Police believe the bombings could be the start of Page 2 an extensive pre-Christmas campaign by the Provisionals. SIXTH ROUND of JIK offtaking advantage of crowded shops and the huge increase in

Civilians shot

Rhodesian police killed five black civilians in a township 10 miles from Salisbury during a hunt for guerrillas. A statement said the men had tried to fiee when they were challenged.

Sect 'murders'

least 760 of the 911 people who dered. Dr. Leslie Mootoo told dered, Dr. Leslie Mootoo told CONSUMER spensing could the Chicage Tribune that half be lower than experied this the people on whom he had Christmas, the FT survey of the people on whom he had so far performed autousies had died from poison injections which could not have been self-

BBC talks

The BBC will hold falks with the Association of Broadcasting Staffs this week over the overtime ban which could severely hit Christmas programmes. Leaders of \$1000 provincial a week pay rise, meet-employers to seek a settlement. Page 4

Peace deadline

President Carter's target date for an Egypt-Israel peace agreement-passed with negotiations still deadlocked. The Israeli Cabinet met but did not discuss

the peace plan. Page 2 Promotion call A Civil Service Department

had better promotion prospects.

Pilot shortage voluntary price freeze agreed with the Government ends.

The recovery in air travel is Back Page producing a severe pilet short-age. UK airlines are likely to need upwards of 200 extra pilots

by the early 1980s. Page 4 **England ahead**

England have of commanding a full year. lead of 177 runs after three days Page 4 of the second cricket Test in Perth. Australia were all out for 190 in reply to England's 309, and the tourists are 58 without loss in their second innings.

John Geddes, promotion director of the Financial Times, died suddenly on Friday evening.

Obituary. Page 4 Cost of a haircut will rise by at least 10 per cent today fol-

lowing a pay award. International Whaling Commission meets in Tokyo tomorrow to set catch limits for sperm

whales in the north Pacific Police fired on villagers who tried to stop Vietnamese refu-

gees coming ashore on Malaysia's east coast . . . Weekly £50,000 Premium Bond

New Irish talks on **EMS** today

• UK AUTHORITIES will hold further talks today with their Irish counterparts to examine technical implications of Ireland's decision to join the European Monetary System.

Main issue is whether the UK Treasury will have to impose exchange controls on transactions with Ireland, ending effective identity between

• TWO disputing sides in the West German steel industry moved closer to a compromise at the weekend, but without a firm sign that the strike would end by Christmas.

shore licensing will test the Government's readiness to en-courage smaller British oil companies to develop greater expertise in offshore explora-tion. Licences are unlikely to granted before Easter.

BRITISH workers from shop-floor to boardsoom, are being forced to "fiddle" the tax system because it has Sect murders become so unjust, a leading The Guyana Government's chief article in today's Director medical examiner believes at claims. The best approach is for the Covernment to change the system, it adds. Tage 4

consumer confidence mows.

MARINE Insurers like record loss if the cargo ship Munchen has in fact sunk in Atlantic storms. Cargo and hulf together are valued at £30-£40m. Back Page

Money supply

• MONEY SUPPLY growth in the wider definition (Sterling M3), could be boosted in the next few months, as a result of unwinding of distortions in the recent figures, stockbrokers W. Greenwell say. Page 4

• CONTINUING high sales of inflation-proof investments for pensioners helped raise National Savings Department funds report says fewer graduates under management by £98.2m should be recruited for rapid to a record £10.86bn last month.

• BREWERS will seek an average 3p on a pint of beer early in the New Year, when the

• "FAIR WAGES" award by the Central Arbitration Committee will give 6,000 Boots' workers rises of about 16 per cent. The award is expected

to cost the company £2.5m in . MOBIL CHEMICAL Europe. part of the U.S.-based Mobil oil group, is to build a 25,000-

tons a year polypropylene film plant in Belgium. The plant is due to come on stream in mid-1980. Back Page

BORG-WARNER Corporation's UK plants are to undertake further development, and probable manufacture, of the automatic transmission system originating with Van Doorne Transmissie. Page 4

• WORLDWIDE SHIPPING, of Hong Kong, has signed an order for four 84,000 dwt oil tankers worth about \$80m, with the Gdynia shipyard of Poland, for delivery in 1980-81.

• NORCROSS pre-tax profits rose 17.8 per cent to £6.53m for

Mining Notebook 19

OPEC to charge **14.5%** more for oil in four phases

By JAMES BUXTON in ABU DHAB!

The Organisation of Petroleum Exporting Countries is to raise the price of its bench mark crude oil by 14.5 per cent in four phases during next year, starting with an increase on January 1 of 5 per cent. This is the outcome of a short and relatively uncontentious meeting of the cartel in Abu Dhabi.

of Arabian light crude up from its present level of \$12.70 to \$14.54 by the fourth quarter for future price increases. This avoided a large sin crease, with its possible a

After the initial 5 per cent increase the price will rise by 3.8 per cent on April 1; 2.9 per cent on July 1; and 2.69 per cent on October 1.

The average increase for the year is thus 10 per cent, the figure stressed by OPEC, and by Saudi Arabia and other moderate members of the organisation.

OPEC has agreed in principle to widen the spread between prices of the easily saleable light crude and the less-attractive heavier varieties. The increase ends the price

freeze in effect for the organisa-

tion as a whole since January Stated officially to be "partial compensation "for loss of OPEC countries' purchasing power due to the decline of the dollar and imported" inflation, the relatively large increase has been

in Iranian output by strikes of oilfield workers.

authority for all oilfields from

the National Iranian Oil Com-

The initial shock of those

measures officially announced,

that strikers or idlers will be

dismissed and lose their com-

had an immediate effect on pro-

duction levels. The output of

the consortium's Khuzestan

fields rose from a low point of

1.01m barrels a day at the end

strike.

Over

oilfield strike

BY SIMON HENDERSON AND ANDREW WHITLEY

enforce the tough measures and 20 arrested.

TEHRAN-Iran's military-led At least 10 strikers are

dismissed and lose their com-tium, OSCO, responsible for pany housing, appears to have production of the bulk of Iran's

of last week to 2.14m barrels full co-operation from OSCO"

made possible by the tightness

This avoided a large single increase, with its possible adverse effect on the Western industrial countries, and would reduce the seasonal fluctuation in demand for oil due to stocking ahead of expected price increases, he said,

In its communique OPEC said that should inflation and currency instability continue, it would "find it imperative to adjust fully for the effects," a reference to a possible revision of the prices set for this year when OPEC Ministers next meet

Absorb

Sheikh Yamani said that even without a price increase he assumed there would be "a little decline of the dollar in 1979." But he thought that it would go up again later in the year because of the measures by the U.S. Government.

We don't really have to talk about any further increase or measures in this area," he said. of the market from seasonal He thought there would be a factors, accentuated by the cut freeze in the price of oil in 1980. The world's economy would be able to absorb the price Sheikh Yamani, the Saudi increase. If there was a surplus Arabian Oil Minister, said that of oil when Iran's output inhe hoped increases in "small creased, Saudi Arabia would

the country's crippling oil of military triels got under way Iranian Oil Company, has been

military took over managerial charges are to be of so-called of the Government's measures.

oil, were reflected in a message

governor, a serving military

officer, that "nothing less than

" oral sabotage."

production managers.

the weekend the vincial capital. The main impediment to implementation

A general instruction to dis- country a national strikers' co-

Iran takes action over

The decision takes the price doses" would form the pattern "bear the burden" by reducing her output.

But Sheikh Yamani, who said before the meeting that he would fight for a price rise of only 5 per cent, added that be "not happy" with the

In the event, Saudi Arabia was prepared to sanction the average rise of 10 per cent and have the support of a formidable array of important pro-ducers, including the United Arab Emirates, Iran, Kuwait Qatar and Venezuela.

The Iran situation "made it very difficult for anyone to are for a small dose or small doses," he said.

One delegate to the conference said there was "a great deal of understanding" on the percentages which enabled an agreement on the price increases to be thrashed out in a few hours.

The gap between the moderates and the more radical members of the organisation-Iraq, Algeria and Libya-does not appear to have been very wide, all saying that they would not insist on compensation for anything like the full loss of purchasing power they believed they had suffered in the past

Elsewhere in the strikebound

up, bringing together repre-

cations of an end to other key

public-sector strikes, such as in

the Customs department or at

North Sea prices soar

nergy Correspondent

NORTH SEA crude oil spot prices have risen to unprecedented levels in recent weeks. but trading activity has been brought to a virtual standstill by the lack of available cargoes. Spot sales of the lighter North Sea crudes from fields such as Thistle, Beryl, Forties or Ekofisk, could now command prices as high as \$16.00-\$16.50 a barrel, oil traders said at the

Prices have risen sharply in response to the general shortage of light crudes and have already taken account of increases to be imposed by OPEC countries.

weekend.

The market has moved quickly from surplus to scarcity pecause of a combination of unexpected factors. The turmoil in Iran has cut back production severely there and output has been fluctuating erratically Demand for some lighter products. especially petrol and naphtha, has been rising during the summer and autumn far more quickly than the oil in-

dustry had expected.

The market is also tighter as countries have increased stock levels both with the approach of winter and in expectation of OPEC producers raising prices. Saudi Arabia's action to limit light crude sales to 65 per cent of total production has added to the upward movement of prices, and North Sea production has not yet reached the level forecast at the beginning

Arabian light marker crude, which is the base for pricing other grades of crude oil, has been posted in recent days at prices as high as \$15 a barrel. compared with its official price before the OPEC meeting of \$12.70 a barrel, Little more than three months ago this crude was still selling at a small discount. There is no fixed price level

for North Sea crude, but in practice it appears that contract OSCO, a consortium of 14 prices are related to the official Government has moved to believed to have been dismissed Western oil companies led by price of Nigerian light with a and 20 arrested.

British Petroleum and working weighting to take account of The first of a planned series on behalf of the National spot market prices.

It is thought that North Sea crude from a field such as in Ahwaz, Khuzestan's pro- implicitly accused of being an Thistle was selling at about \$13.64-\$13.65 in June and July this year. Producers are understood to be asking \$16.00-\$16.50 for cargoes becoming available in the New Year.

pany and appointed Army miss men not turning up for ordination council is believed generals to individual fields. work has been issued to oilfield to be in process of being set Such price rises are far in excess of any OPEC increases. Official suspicions over the sentatives of public-sector attitude of the Western consor-strikers and dissident groups. Traders were reported at the weekend to be ready to pay between 35 and 45 cents per Most departments of the Gov-ernment-owned Bank Melli and barrel over and above OPEC the Central Bank of Iran are increases for low sulphur light from Gen. Azhari, the Prime back at work after a fortnight's Minister, to the provincial stoppage, but there are no indi-

on Taiwan 'key element'

China pledge

BY JUREK MARTIN, U.S. EDITOR

of Taiwan have emerged as the key element in inducing President Carter to proceed with with the People's Republic. Dr. James Schlesinger, the Energy Secretary, who took part in the negotiations, said

in a television interview that the U.S. had concluded that China had neither the capability nor the inclination to invade Taiwan in the foreseeable future.

Defence Department officials had been pressing the same arguments.

At the same time, while registering disapproval. China has agreed in effect to accept continued U.S. military sales of defensive weapons to Taiwan after the U.S. Taiwan mutual defence treaty finishes at the end of next year. The U.S. considers that to have been a key concession from Peking.

As a result, President Carter was able to put into practice what Presidents Nixon and Ford would have liked to do: to recognise the People's Republic as the sole and legitimate Government of China. Clearly. Mr. Carter had con-

cluded that he was sufficiently secure to survive the inevitable criticisms from the American political Right, angry over what it considers desertion of Taiwan. and from the Soviet Union. In his television address to

he nation on Friday night, Mr. Carter had emphasised the bipartisan effort of the past seven years to restore diplomatic relations with China. Over the weekend former Presidents Ford and Nixon and former Secretary of State Henry Kissinger, endorsed the decision.

Oppose

It is also felt that the old "free China lobby" has lost its once vaunted steam and that although it may protest noisily (Senator Barry Goldwater has threatened to take Mr. Carter to court) it can be contained. In particular it is believed that those in the Senate who oppose Mr. Carter over China were bound equally to oppose him over a Strategic Arms Limitation agreement with the

Soviet Union response. But the Administration appears convinced that Editorial comment and feature President Brezhnev wants a second SALT treaty as much as China-UK trade. Back Page

WASHINGTON-Assurances President Carter does and that given by China on the future the almost completed negotiations of the pact will proceed as scheduled.

Mr. Cyrus Vance, the Secre establishing normal relations tary of State, is still scheduled to confer with Mr. Andrei Gromyko, the Russian Foreign Minister, in Geneva at the end of this week.

Key members of the Carter Administration, including Dr. Zbigniew Brzezinski, the National Security Adviser, have long been attracted by the idea of persuading China, particu-larly under its new leadership, to play a fuller role in international affairs.

Indication

Dr. Erzezinski said in an interview that establishing normal relations with China was not directed towards the Soviets or anyone else, but was designed to accomplish our objective of shaping a more open, pluralistic international system.

One indication of the U.S. consciousness of Soviet sensibilities appears to be the decision not to appoint Dr. Schlesinger, a known hardliner towards Moscow, as the first ambassador to Peking in March. Dr. Schlesinger, widely tipped earlier this weekend for the post, said in his television interview that he would not be going and the probable choice, according to officials, is the head of the U.S. mission to China, Mr. Leonard Woodcock, the former head of the

Car Workers' Union. The visit of Deputy Premier Teng Hsiao-ping to Washington next month will be critical in Mr. Carter's attempt to persuade the American public that he has made the right move.

Mr. Carter will shortly send his Treasury and Commerce Secretaries to China for trade discussions.

John Hoffman writes from Peking: Mr. L. mic relations between the U.S. and China would substantially

Among commercial possibilities, observers here have pointed to the growing Chinese interest in computers,

China, which this year purchased 3.7m tonnes of its 10m tonnes of wheat imports from Some people here remain the U.S. will also be looking nervous about the Soviet to the U.S. for agricultural equipment and technology

Page 10

CBI optimistic on economy

was expected

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

is published this morning by the Confederation of British Indutry, which says there is a widespread improvement in demand at home and overseas.

In the monthly report on its industrial trends survey covering 2,000 manufacturing companies, the confederation suggests that the high level of consumer spending is having an increasing impact on business activity and that export orders are also improving.

This puts its report out in front of other recent economic surveys, although the confederation does warn that not too much notice should be taken of one month's results. The confederation is also

Worried about the prospects for company profitability, although

.Minister at talks later this week, probably on Thursday, that the levels of profitability are so low that they should not be reduced further by stricter price con-trols. Some leaders of the confederation fear that the Government may be tempted by the TUC to strengthen price

controls as a way of propping up the pay policy. The main reason why the confederation's industrial report is bullish in tone is that the companies covered in the survey, which was conducted in the second half of last month, reported improved order books. Total order books are still below normal for 29 per cent of the 2,000 companies involved.

July.

This represents a further improvement in demand for the output of manufacturing industry compared with earlier this year," the report says. "The improvement is wide-

spread although, in general, order books are stronger for consumer goods manufacturers. For intermediate goods producers, and especially the metal manufacturing industry, demand

remains relatively weak.
"There has also been a
marked recovery in export order books. Not too much should be read into one month's figures but the improvement is broadly based throughout manufactur ing. Despite this, foreign But the balance between those reporting below normal rather than above normal orders has intermediate goods sector." demand continues to be at a relatively low level for the

Talks on public sector pay

BY PHILIP BASSETT.

over pay in the public sector, which could result in severe industrial disruption.

the main, for some way of retrieving the idea of public

A comparability system would help to provide greater increases for the majority of the 1.5m health and local authority sector companies to settle but some account would be manual workers, who have within the guidelines, and ask taken also of the scale of wage rejected offers of 5 per cent and them to re-negotiate deals if settlements the nation could "Te drawing up plans for pis- they have not done so.

SENIOR MINISTERS will meet sibly crippling industrial action The Government also intends

comparability for their members now that the Govern-ment's abandonment of its sanctions policy, as they see it, has allowed the effective return of free collective bargaining in

the private sector.
Mr. Denis Healey, Chancellor of the Exchequer, and other will soften her hard line to free senior Ministers will make it collective bargaining at the clear that though the Govern- October party conference, ment has been forced to give without repudiating the views

way on sanctions, Labour's anti- of Sir Kelth Joseph, her closest inflation policy is by no means economic adviser. lead. A future Tory Government The Government will still would still put maximum continue to exhort private emphasis on monetary policies, sector companies to settle but some account would be

c sector pay, though the Richard Evans, Lobby Editor,

afford.

We take this opportunity to wish our many friends the compliments of the season and best wishes for 1979 ARTHUR BELL & SONS LTD DISTILLERS PERTH SCOTLAND Established 1825 And still an INDEPENDENT Company

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the TUC economic committee from next month.

to hold as closely as it can to tomorrow to seek a formula to Some powerful unions, its position of control over publicative off the impending clash though, do not see the need for lic sector pay, though the The TUC will be looking, in

sector pay comparability which was lost when the General Council rejetced the agreement on pay and prices drawn up between Ministers and the six TUC members of the National Economic Development Council.

writes: Mrs. Margaret Thatcher, following continuing Shadow Cabinet divisions over economic policy, will spell out her latest thinking on wage bargaining in a speech in London today. The indications are that she

W. Germany THE OPEC PRICE DECISION nearer accord on steel rift

BONN — The two disputing sides in the West German steel industry moved closer to a compromise this weekend — but there was still no firm sign whether the strike would end by Christmas.

Hopes were raised on Saturday when trade union and em-ployer representatives met with the political mediator. This was the first time that all three have sat down together since the strike began on November

An accord in principle was worked out which appeared to point the way to a break-through on the key disputed item: demands by the trade union, IG-Metall, for the progressive introduction of a 35hour working week.

But yesterday the union's main committee responsible for bargaining on wages and conditions said it could not accept the compromise, which involves more holiday and free shifts. This would have de facto implied a working week of less than 40 hours

However, the relatively moderate terms in which the union committee rejected the compromise suggested that further negotiation with the employers might yet bring agreement based on the "free shift" proposals.

Neither side wishes to appear responsible for allowing the strike - the first in the West German steel industry for 50 years - to drag on into the

Christmas period. Some 80,000 out of a total 200,000 steel workers in the North Rhine - Westphalia, Bremen and Osnabrueck regions are affected by the strike and

subsequent lockout action. Besides demanding moves towards the 35-hour week, IG-Metall originally sought a wages increase of 5 per cent for next year. The employers offered six weeks holiday and a 3 per cent increase.

The wages component has hardly figured in the dispute and it is expected that both sides will settle for 4 per cent | Kucinich refuses to dispose of. once the working time issue is

U.S. fears inflation damage

WASHINGTON-The Petroleum Exporting Countries (OPEC) to raise the price of oil by 14.5 per cent will increase the cost to the U.S. of imported oil by 4.5 per cent. It will increase U.S. inflation rate by 0.5 per cent over the next year, while widening the U.S. trade deficit and threatening the dollar. These comments on the Abu Dhabi decision were made yesterday by Mr. James Schlesinger, the Energy Secretary in a television interview.

The increase was "substantially larger than we had hoped," Mr. Schlesinger said. He still hoped that the oil exporting countries would review their decision to make successive price increases in the second, third and fourth quarters of 1979, in the light of the impact on the U.S. and its industrialised partners But the first of the scheduled increases —5 per cent on January 1—is also the biggest in the series. The reaction of the stock and foreign exchange markets today will be anxiously awaited by the Carter Administration, which had earlier estimated that even a 5 per cent oil price rise would

Cleveland defaults but

Dennis Kucinich of Cleveland, senior White House aide that Ohio, has begun working on Cleveland's problems did not

default, the first by a major able to put its house in order. U.S. city since the depression, Although in default, Cleve-

ment between the mayor and the are several estimates, ranging

banks offer new talks

BY JUREK MARTIN, U.S. EDITOR

plans to lay off up to 5,000 city

employees and drastically to

curtail urban services after the

default of his city on \$15.5m

worth of debt at midnight on

Last minute efforts to avert

failed because of total disagree-

CONTRACTS AND TENDERS

NOTICE OF INTENT TO SOLICIT WORLDWIDE

COMPETITIVE TENDERS

National Development Corporation

INTEGRATED PULP AND PAPER MILL

MUFINDI, TANZANIA

Civil and Structural Work

Installation of Mechanical and Electrical Equipment

The National Development Corporation (NDC), an enterprise organised and

existing under the laws of Tanzania, will build an integrated pulp and paper mill near Mufindi, Tanzania. The mill will produce kraft and groundwood pulp from pine, wattle and eucalyptus for conversion to 60,000 metric tons per annum of industrial and cultural papers on two paper machines. The complex will also include chemical recovery, power generation, water supply, effluent treatment and the required site facilities. Start-up is projected to take place in 1982/1983. Project organisation has been established consisting of NDC, AB Statens Skogsindustrier as general advisers, Sandwell and Company as project managers and Laskko Poyry Engineering On as engineering consultant

and Jaakko Poyry Engineering Oy as engineering consultant.

NDC have applied to the World Bank, Swedish International Development Authority,

Kreditanstalt fur Wiederaufbau, Kuwait Fund for Arab Economic Development,

The Opec Special Fund, Commonwealth Development Corporation and The Nordic Investment Bank for financing. NDC will prequalify prospective Civil/Structural and Mechanical/Electrical contractors taking into account their proven ability to

Details of similar projects completed and under way in the last 10 years

Curriculum vitae of key personnel and personnel that may be assigned to

In case that a consortium of firms is formed to participate in the tendering each member firm of the consortium will have to submit detailed information as above. The capacity of a consortium will be judged basically on the history of the sponsor

Excavation, piling, reinforced and pre-cast concrete, erection of structural steel buildings, cladding, roads, services and finishing.

Paper machines, stock preparation plant, wet-lap machine, wood preparation plant, batch digesters, washing and screening and bleach plant, lime kiln, causticising plant, turbo-generator, water supply and effluent treatment, diesel generator, bleach chemical preparation plant, motors process piping and fittings, pumps, machine tools, instrumentation, control panels and complete electrical installation from sub-station.

B. Mechanical/Electrical work may be awarded as either one contract or as separate contracts and will tentatively include the installation of the following equipment to be purchased by NDC. Most of the work will be supervised by erection specialists of the manufacturers:

Only prequalified contractors or consortia will receive tender documents. Contractors with proven ability in the above are invited to submit their prequalifying documentation no later than 45 days from the date of publication of this notice. All communications to be in the English language in envelopes marked "Pulp and Paper Project" to National Development Corporation, P.O. Box 2669,

P. R. Sandwell and Company (UK) Limited

It is intended to invite international competitive tenders tentatively as follows: A. Civil/Structural construction as one single contract, encompassing the following

perform, their financial soundness and current experience in similar projects.

Contractors who wish to prequalify must provide details as follows:

Financial statement of last year and summary of last 5 years.

including description of work and value of contract.

3. Detailed report on company structure and organisation.

5. Details of equipment fleet.

Dar es Salaam, Tanzania.

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Dar es Salaam

deci- widen the 1979 trade deficit by Michael Blumenthal, to the again to near 1977 levels.

> The 14.5 per cent oil price rise next year will inevitably make much more difficult the Administration's task of curbing inflation. For one thing, it will make even more unpopular President Carter's intended move next year to lift the present controls off the price of petrol. Mr. Schlesinger said he expected petrol prices in a year's time to be five to six cents a gallon higher, about half of that the result of the OPEC decision and half the effect of decontrolling prices domestic-

The Energy Secretary stressed that the Administration still believed decontrol was needed to encourage investment in new petrol refining, though the timing of the move depended on the Administration's anti-inflation programme.

Mr. Carter had earlier called for an OPEC price freeze and sent his Treasury Secretary, Mr.

warrant federal intervention

The Government of Ohio may

intervene in due course, but Governor James Rhodes is also believed to feel that Cleveland

must first show signs of being

Although in default, Cleve-land is not yet bankrupt. There

and could be solved locally.

Mayor Washington. He was told by a

sion by the Organisation of \$2bn. Mr. Schlesinger said yes. Middle East at the end of terday that after somewhat November. The aim was to tell lower U.S. oil imports this year key oil exporting countries, inbecause Alaskan production was cluding Saudi Arabia and Iran, beginning to flow, the volume that a sharp price increase of imports next year would rise might lose OPEC members more in damage to the dollar-in which most of their reserves are held—than they would gain in

> The Nov. 1 measures to sup-port the dollar were in part, taken by the Carter Administration to reassure OPEC members that the long slide in the value of their dollar reserves would not continue. Asked yesterday whether the Blumenthal mission had failed, Mr. Schlesinger pointed out that the OPEC price rise might have been even bigger, had not the Treasury

> Secretary made that trip.
> Mr. Schlesinger attributed
> much of the OPEC increase to the psychological effect on other oil exporters of the continued interruption and cutbacks in Iranian production. The troubles in Iran have driven spot oil prices up and made the market for crude far tighter than had been anticipated, while it had only been marginally offset by an increase in Saudi Arabian oil

Patrick Cockburn adds: The immediate reaction of Government officials in Europe has been disquiet at the size of the

increase. EEC officials in Brussels say that the Abu Dhabi decision will test severely the European Monetary System when it is introduced on January 1. In most European countries and Japan, however, the new price of oil will only partly offset the decline in the real price of oil over the last few years following the drop in the value of the dollar.

Jamie Buchan reports from Jeddah: President Mobuto of Zaire left Saudi Arabia for Qatar yesterday after securing a promise of guaranteed oil supplies. The supply agreement will run for one year and is renew

During his six-day stay in Saudi Arabia, he was also assured of Saudi participation in a number of aspects of the "Mobutu plan"—the threestage rescue programme for Zaire worked out by the International Monetary Fund, the World Bank and 11 donor countries at meetings in Brussels in July and November.

Moroccans deny arms drop off Algerian coast

RABAT - Morocco categoric- internal problems and to mobially denied yesterday that a lise it against an imaginary Moroccan transport plane had danger from outside. dropped 300 automatic weapons and ammunition a mile off the

Aigerian coast. In a communique last night Algeria claimed the arms drop, from a Herclues troop transport. was made at night eight days ago off Cape Sigli, 100 miles east of Algiers and near the Kabylia mountain area which is known as a centre for armed

city council over the sale from a few weeks to six of the municipally-owned months, of the time it will electric plant, which Mr. take before the city is no Cuclaich refuses to dispose of. longer able to pay its basic The mayor was also rebuffed bills and is forced into court said the Algerian allegation was reported to have taken place

The Algerians said the incident happened while President Houari Boumedienne was lying belief is that the allegation is linked with the power struggle in Algiers over the succession. The plausibility of the Algerian claim to have sighted and identified a Moroccan plane at night over the sea is uncerresistance to the regime.

tain, but it is probably signifithe Moroccan Government cant that the incident is

seriously ill and the Moroccans

BY OUR OWN CORRESPONDENT

designed to divert the attention near Kabylia where the Berber in an appeal for assistance from to have its assets redistributed. of Algerian opinion away from population is restive.

PUBLIC CORPORATION FOR ELECTRIC POWER WADI HADRAMOUT ELECTRIFICATION SCHEME

PEOPLES DEMOCRATIC

REPUBLIC OF YEMEN

The Public Corporation for Electric Power invites Tenders for the Works listed below. The project is being financed by loans from the Arab Fund for Economic and Social Development, the Islamic Bank and the World Bank.

Diesel Generating Plant for Wadi Hadramout Power Station.

Specification 4126/01

Tenders are invited for the complete turnkey supply, delivery, erection and commissioning of four 4 MW diesel generator units, operating as a speed of 500 rev./min. on heavy fuel. with their associated mechanical and electrical auxiliaries and an electric overhead crane together with power station building, administration block and workshops for a new Power Station to be built in the Wadi Hadramout.

Overhead Line Materials and Underground Cables

Specification 4126/02

Tenders are invited for the design, manufacture, testing and delivery CIF Mukalla port of 33 kV underground cable and overhead line, 11 kV underground cable and overhead line, 380 volt cable and 380/220 volt overhead line, supports and ancillary equipment

Metering Equipment

Specification 4126/04

Tenders are invited for the design, manufacture, testing and delivery CIF Mukalla port of 7,500—20/80 amp single phase 220 volt, single rate meters; 75—50/100 amp, 3 phase, 380/220 volt, single rate meters; 500—50/100 amp, 3 phase, 380/220 volt, two rate meters; 500 time switches with 36 hours spring

11/0.4 kV and 33/11 kV Transformers Specification 4126/05

Tenders are invited for the design, manufacture, testing and delivery CIF Mukalla port of the following:-

373—25 kVA 11/0.4 kV pole mounted transformers. 118—50 kVA 11/0.4 kV pole mounted transformers. 32—100 kVA 11/0.4 kV pole mounted transformers. 4—250 kVA 11/0.4 kV ground mounted transformers.

2 — 500 kVA 11/0.4 kV ground mounted transformers.
1 — 1000 kVA 11/0.4 kV ground mounted transformer.
2 — 5 MVA 33/11 kV ground mounted transformers. Ancillary equipment.

Switchgear

Specification 4126/06 Tenders are invited for the design, manufacture, testing and

delivery CIF Mukalla port of equipment for Al Qatn and Al Churaf 33/11 kV sub-stations comprising 33 kV outdoor equipment including isolators, fault throwing switches, neutral current transformers, insulators, etc., and 11 kV indoor metal clad switchgear with one incoming and four feeder panels at each sub-station.

Mechanisation Equipment Specification 4126/07

Tenders are invited for the design, manufacture, testing and delivery CIF Mukalla port of articulated pole transporters, low loader transporters, light pole transporters, vehicle mounted diggers complete with pole lifting derricks, long wheelbase land rover type vehicles, mobile compressors and power rammers, tractors and lubrication equipment.

The Specification Documents may be obtained by application in writing to the Public Corporation for Electric Power, Hedjuff, Aden, PDRY, accompanied by a cheque for 40 Yemeni Dinars which is non-refundable. The fee is chargeable for each set of each Specification Documents. The documents will be available on or after 15th January 1979.

The Specification Documents may also be obtained from Preece, Cardew & Rider, Paston House, 165/167 Preston Road.
Brighton BN1 6AF, the Consulting Engineer to the Public Corporation for Electric Power for this project. Applications to Preece, Cardew & Rider should be accompanied by a cheque

The tender closing date will be the 16th April 1979 in Aden. Fixed price contracts are required and tenders should be accompanied by a 5% Bid Bond valid for six months. Successful tenderers will be required to provide 10% Performance Bonds.

Deadline passes for Mideast

CAIRO — The target date for gypt and Israel to sign a peace treaty passed yesterday with no indication that President Anwar Sadat is considering modifying proposals that were rejected by Cabinet in Jerusalem on Friday.

peace pact

President Jimmy Carter warned last week that failure to meet the December 17 date agreed at Camp David during the tripartite summit in September "would set a very serious precedent" and "would cast doubt upon the present treaty which is being being negotiated."

Following the failure of the mediating effort by Mr. Cyrus Vance, the U.S. Secretary of Vance: the U.S. Secretary of State, last week, Mr. Boutros Ghaly, Egypt's acting Foreign Minister, told a Parliamentary Committee on Saturday that Egypt would only sign the draft peace treaty if on the same day Israel signed an exchange of letters concerning the setting up of an autonomous Pales tinian authority on the occupied

West Bank and Gaza Strip.

He said that Egypt would always be prepared to negotiate but only on the basis that a produce a "tremendous adve peace settlement had to be impact on the free world." comprehensive and did not in

insisting on a four-point timetable for the West Rank and Gaza.

• L. Daniel in Jerusalem adds: The treaty negotiations were not discussed at the meeting of the Israel cabinet yesterday, even though the weekly session took place on the very date by which the Treaty should have

The Cabinet had its hands full today considering the draft budget for 1978-79 under the shadow of inflation which last month reached the equivalent of an annual rate of over 73 per cent.

India to debate Gandhi penalty

NEW DELHI - The Indian Prime Minister, Mr. Morarjî Desai will move a mition today in the Lok Sahha (Lower House of Parliament) to imprison Mrs. Indira Gandhi until the end of the current session. But he also faces two separate threats from the former Prime Minister and his former Home Minister, Mr. Charan Singh. Mrs. Gandhi's Congress (I) Party prepared to launch a massive civil disobedience movement under which its members will seek to arrested in sympathy with their

leader. A call has gone out to Congress members all over the country to "fill the jails" and the party's leaders claim that at least 100,000 people have volunteered to go to prison.

If the Congress members obey the call, Mr. Desai faces

a major law and order threat since the volunteers will seek to be arrested by defying a ban on gatherings and demonstrations. Many have threatened to go on "hunger strike," a potent weapon in India. Mr. Desai feels that Mrs. Gandhi's support will come mainly from the southern states and that the response to the Congress call in the key Hindi-speaking belt in Northern India will be limited. Mr. Desai has given notice to the Speaker of his motion which seeks imprisonment of Mrs. Gandhi until the end of the current session and her

expulsion from the House The threat from Mr. Charan Singh amounts to a call for the winding-up of the ruling Janata Party and its replacement by individual and separate parties made no reference to the U.S.

THE U.S.-CHINA LINK

No immediate effect on Taiwan's security and prosperity

BY CHARLES SMITH

somewhat earlier than had been expected, will have no immediate effect on the security or economic prosperity of Taiwan but could affect both in the long run. Elsewhere in the region, the move seems likely to have profound implications, particularly on Japan which recently signed its own "treaty of peace and friend-ship" with Peking, but which otherwise has a strong interest in maintaining the regional

The Taiwanese President, Mr. Chiang Ching-kuo reacted to the news that Washington would withdraw recognition of his regime's claim to be the legitimate government of China with a strongly worded broad-cast which accused the U.S. of "damaging the rights and interests of the people of Taiwan." President Ching also said the U.S. move would produce a "tremendous adverse

status quo.

Both statements, coupled any way prejudice his country's with a repetition of Taiwan's commitments to the Arab promise to "liberate" mainland tion. China appeared to be routine Mr. Ghaly said Egypt was reactions to a development which must have been anticipated for several years by the Chinese nationalists even if the exact timing of yesterday's announcement came surprise. Taiwan apparently does not expect American derecognition (or the winding up of the U.S. Security agree—almost certainly be interested ment which will take effect in acquiring such facilities, and within a year) to lead to any might feel that now is the

TOKYO - The U.S. decision though it remains to be seen to establish full diplomatic whether new capital inflow will relations with China, announced be affected by the U.S. diplomatic withdrawal.

Taiwan had diplomatic relations with 22 governments on the eve of President Carter's announcement and must now expect to see many of these follow the U.S. move towards Peking. Its declining diplomatic status need not necessarily mean that trade relations (which exist with over 140 countries) cease to be conducted smoothly and successfully.

In the aftermath of American diplomatic withdrawal Taiwan seems likely to be the target of diplomatic or political overtures from Peking simed at establishing "people-to-people contacts in preparation for an eventual peaceful takeover

from the mainland
Such overtures will presumably be rejected so long as President Chiang Ching kuo remains in power. After the retirement or death of the 68 year old President (the son of former Nationalist leader, Chiang Kai-shek), changes in the relationship with the main land might become a possibility.

SHIPP!

The only thing which would seem likely to upset this fairly uneventful scenario is the in volvement of the Soviet Union in Taiwanese affairs, either through closer economic relaof repair facilities for Soviet vessels. The Soviet Union would early increase in tension with moment to press for them. mainland China. The risk of a Taiwan however would clearly rapid exodus of foreign capital be taking a major risk by yield-is also being discounted—ing to Russian pressures.

A welcome from Japan

BY OUR OWN CORRESPONDENT ..

TOKYO — Japan officially Tokyo is that the Soviet Union in statements by Prime Minister Masagoshi Ohira and Foreign Minister Sunso Sonoda. Mr. Sonoda also revealed that Tokyo was one of the few capitals to get advance notice of the American decision.

The move means that the Tokyo-Peking "entente" which came into existence with the signing last summer of the Sino-Japanese Peace and Friendship treaty, is now balanced by what seemed likely to be almost oemoller warr

A preliminary assessment in American support.

welcomed the announcement of will feel the need to step up its normalised Sine-U.S. relations navel presence in Far Eastern waters. A reference by the Moscow newspaper Red Star to the emergence of a "Far Eastern NATO" including Japan, China and the U.S. was highlighted in best night's national TV news A bonus for Japan from the

U.S.-China normalisation could be further de-escalatiton of the Korean situation, to the status of a regional conflic now that one of North Korea's two principal backers will presumably be anxious to keep things quiet. Washington and Peking. This is Tokyo expect that the establish-reassuring in the sense that meet of full relations between On the other hand, observers in ment of full relations beween Washington and Tokyo now see Washington and Peking will eye to eye in their relations mean a greater readiness by with Peking, but potentiall de-stabilising so far as relations with Moscow are concerned. That such a line will receive

Pact feared by Moscow

clear that Moscow is strongly opposed to the move. A terse 60-word statement by

Tass, the official news agency, said merely that Washington and Peking had agreed to establish diplomatic relations. A more likely pointer to Moscow's feelings, however, was contained in a report in the Soviet defence daily Red Star, which spoke against the forma-tion of a possible military and

THE Soviet Union has reported China agreement — it had without comment the U.S. deci- apparently been written before sion to establish diplomatic the announcement at the weeklinks with China but it is end — it certainly highlighted clear that Moscow is strongly Soviet fears of diplomatic encirclement.

The newspaper said there were plans for the establishment of a Washington-Peking-Tokyo triangle based on the existing Japanese U.S. security treaty, the new Sing-Japanese friendship treaty and a, projected treaty on the same false basis between the U.S. and China."

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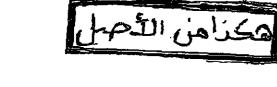
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PUBLIC NOTICES

HAMPSHIRE COUNTY COUNCIL £5,000,000 Bills, issued 15.12.78, matering 16.3.79, at 11^{11} ₁₆%. Applications totalled £40,000,000 and there are

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WORLD TRADE NEWS

Worldwide orders four tankers from Poland

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

oil tankers, worth around \$30m, with a Polish shippard. The vessels will be buit by the Gdynia yard for delivery in the Gdynia yard for delivery in 1980-81, and will be paid for similar vessels in Japan earlier in tash rather than with the aid in the year.

WORLDWIDE SHIPPING, the Worldwide the largest indepengroup headed by Sir Yue Kong dent shipping group in the Pao, of Hong Kong, has signed world, shares the view that there an order for four 84,000 dwt will be a recovery in the oil tankers, worth around \$80m, market for this class of tanker by 1981. Mr. Ravi Tikkoo, owner of

in cash rather than with the aid in the year.

of the usual shippard credit.

The order is interesting, not Worldwide's will be equipped to only because of the general meet all the latest international dearth of tanker contracts this saftey standards in force or in year but because it shows that the process of enactment

Worldwide said that a charter for the ships was in prospect, although it would probably not be signed until the middle of next year. There was no ques-tion of the ships being built speculatively.

Worldwide, along with the other major Hong Kong shipping groups, has been expanding rapidly this year, with around Im dwt of purchases in the second hand the second-hand market and buildings totalling 0.75m

Far East Conference rates rise

SHIPPING LINES in the Far ing strong criticism from East Freight Conference are to shippers about the past practice East Freight Conference are to increase their rates by 8 per cent from March 1 next year. Unlike previous increases, how-ever, this one will be staged in two tiers, involving a 4 per cent general increase plus a flat \$3 per tonne or other volume unit. This is simed at reducing the differential between rates paid-on higher and lower value

The conference has also made important changes in the way it calculates rate increases follow-

of relying mainly on data from individual shipping lines. The conference is now employing a wide range of financial and economic informa-tion from the international Monetary Fund, the Organisa-tion for Economic Cooperation and Development and govern-ments of countries served by

Concurrently with the rate increase, the conference is also to reduce its surcharge for goods date remain below 10 per cent.

moved through the Suez Canal from 1.78 per cent to 0.4 per

This follows a recalculation of the real extra costs faced by shipping lines using Suez, and of the new tariff package to 6.6

Rates were last increased his 12.5 per cent, in July, 1977, and the conference says it will hold the new rates until the end of February, 1980, so long as cost increases in the year before that

SHIPPING REPORT

Uncertainty halves tanker rates

markets of seven days ago has turned into full-blooded collapse in the past week with rates for the biggest ships loading in the Gulf more than halved.

Anxiety about the political and industrial situation in Iran, coupled with worries about what the OPEC leaders would decide about oil prices, drove down rates to their lowest levels for some months.

Ten days ago a very large crude carrier was booked for a Gulf-West voyage at World-scale 66. On Friday, a similar ship was taken by Shell for

Other loading areas and smaller vessels have also been affected, with a 145,000dwt tanker taking WS50 (down 20 points) for two voyages Gulf-Japan and a 100,000-ton vessel accepting WS75 for a voyage West Africa-U.S.

Brokers are unwilling to predict whether rates will continue to weaken after Christmas, but

UNCERTAINTY IN the tanker cargoes in most areas, the lean days which have characterised the last four years seem to have returned for a period.

Only in the Caribbean-U.S. market is there any note of optimism, with Galbraith Wrightson making a definite forecast of healthier tates in

Dry cargo markets were

seasonally quiet last week, but the collapse of oil freights will bring combination carriers rushing back into grain trading if owners decide it is worth cleaning their holds for the transfer.

On the sale and purchase side, inquiry remains strong for bulk-carriers and liner types, but there was little business concluded last week.

World Economic Indicators

RETAIL PRICES

					% Change over previous	Index
				Nov. 77	year ·	base year
UK	202.5		200.2	187.4	8.1	1974 = 100
W. Germany	145.5	145.0	145.0	142.7	2.2	1970 = 100
italy	138.5	. 197.3	735.8	124.7	11.6	1976=100
Holland	-122.6	122.6	122.3	117.9	4.0	1975=100
	Oct. 78 5	Sebt. 78	Aug. '78	Oct. 77		
U.S.	200.9	. 199.3	197.8	184.5	8.8	1967=100
France	205.7	203.8	· 202.5	188.2	9.3	1970 = 100
	Sept. 78	Arg. 78	July '78	Sept. 77		
Japan		723.7	123.0	120.2	3.6	1975=100
Belgium	128.8	128.3	127:7	124.05	3.8	1975: 100

GEC work in Iran suspended

By Patrick Cockburn

GEC HAS suspended work on the \$57m Ahwaz power station in Iran. The reason for the move is an accumulation of difficulties flowing from the strikes and go-slows which have been paralysing the

GEC won the turnkey con-tract last year and it was scheduled for completion by next year. Early in November the company's main Iranian sub-contractor suspended work on site. There are also worries about the security of staff, and the problem of equipment not getting through the Iranian ports which have been hit by customs' strikes.

The Abwaz power station is GEC's only large contract in Iran and at the time of the suspension there were 25 British staff on site. It is un-certain when work can be re-

Many international companies operating in Iran are now feeling the impact of the political and economic crisis. Strikes and go-slows in Gov-ernment Ministries and most of the major banks have made day-to-day financial administration impossible—though this played little role in GEC's

decision to suspend.

The anti-corruption drive and the rapid changes of Government have allowed many officials to avoid taking definite decisions on projects while the crisis lasts.

Afghanistan sugar plant

By Chris Sherwell

ISLAMABAD - Fives - Calile Babcock, the French engineering company, is to supply machinery and expertise for a \$53m sugar beet processing plant in Afghanistan. The deal, to be financed

under a grant-in-aid from the Government, Afghanistan's first major industrial project involving a company since Socialist Government of Mr. Nur Mohamed Taraki came to power in a bloody coup last

The plant will be established at Baghlan near Kunduz in the north of Afghanistan and will have an anual output of 37,000

Afghanistan already has one sugar plant, and needs one more for self-sufficiency, but the terms for this have still to be finalised.

Fives-Caille Babcock won the latest contract in competition with a Polish company.

SOVIET AER OSPACE

Americans ready to fly Russian

ALTHOUGH the Soviet aero-space industry, like its Amerispace industry, like its American counterpart, has been in a position to benefit from the technological spin-off generated by a major research and development effort in the military and space fields, its efforts to break into the U.S.-dominated civil aviation market in the hard currency area have proved rency area have proved disappointing.

Somewhat ironically, however, it now appears that the Soviet aireraft industry is close to a potentially significant breakthrough into the U.S. and world market with a small but sturdy, three engined, short haul jet, the Yak-40, whose production is about to be terminated in the Soviet Union itself.

Target

It was introduced ten years ago and the planned production target of 1,000 aircraft in several versions has now been fulfilled. An additional 50 aircraft are now being built at the Yak plant at Saratov south east of Moscow, but when they are finished the plant will change over to produc-tion of a new, and significantly larger derivative, the Yak-42.

The Yak-40 was developed to satisfy the Soviet need for a rugged short-range jet feeder aircraft capable of flying in tough climatic conditions out of short, rough airstrips without ground support facilities. With three engines at the tail, the air-eraft carries from 27 to 32 passengers or 11 in the executive version. It has a cruising speed of 550 kms per hour, a maximum range of 1,450 kms and its 2.750 kg payload and has attracted considerable attention overseas. It is one of the few Soviet air-

craft which has been sold, albeit Date P. Lewis. ICX made its assembled prototype by midin small numbers. outside Comecon. Apart from Bulgaria. Czechosłovakia. Hungary and Poland Yak-40's have been sold to Afganistan, Syria, Vietnam. Angola, Zambia, as well as to Yugoslavia, Italy, West Germany and Canada.

But sales to the West have been symbolic rather than sub-stantial. Avia Ligure, a small feeder line in Italy, for example, purchased three as part of a complicated barter arrangement some five years ago while Canadian buyers also took three of the aircraft following a major sales push and demonstration in Canada two years ago. A major sales breakthrough, how-ever, falled to materialise. Soviet inability to guarantee adequate

servicing and spare parts back-up, always a major Soviet weak-ness, was a major factor. North American Rockwell was one of several western companies which showed an interest in the Yak-40 in the early 1970's and commissioned a market survey which showed that U.S.

feeder line operators were not yet prepared to invest in jet feeder aircraft. This autumn, however, Presia \$100m loan guarantee section

density population areas, and this is precisely the kind of market which the Yak-40 is designed to fill. This market also attracted the attention of a the Soviets. The first test flight Washington consultancy, ICX- with U.S. engines is scheduled signe Avionics and its president, Mr. for mid-1979 and the first U.S. 1979.

own estimate of the potential market for feeder jets over the next decade and purobased the results of Rockwell's market research. In 1976 Mr. Lewis started negotiating with Awia-export, Licensintorg and other Soviet trade bodies to purchase or manufacture the Yak-40.

The Russians surged down the original proposal for a licensing agreement to permit manufacture in the U.S. but settled for a deal whereby they would supply the airframe which would then be fitted with U.S. avionics and engines in the United States.

This fell through when it became clear it would require on-site inspection during the production process by inspectors of the Federal Aeronautics Administration. This the Russians refused. Negotiations then went back to the idea of building the aircraft in the U.S. using Soviet equipment from the Saratov plant which is due to be phased out next year.

Potential

ICX-Aviation already potential urders for 75 modified dent Carter signed the Airlines Yaks and projects a world-wide Deregulation Bill which includes market of 1,885 aircraft over the next 20 years, of which 20 per solely for the purchase of air-craft by local feeder or short haul airlines. cent would be in the U.S. This confidence springs partly from the relative cheapness of buying the relative cheapness of buying
The aim of the Bill is to
encourage U.S. airlines to
improve their service to mediument of a similar type would require at least seven years. The modified Yak could be in the air within two years of signing agreement with

aircraft will be first The assembled and then completely manufactured at a new plant to be built in the depress town of Youngstown, Ohio. The plan is for tools, jigs, forgings and castings for the airframe will be bought from the Soviet

factory plus the landing gear.
But virtually everything
which goes into the plane will
be American. The Soviet
engines will be replaced by three
Garrett Air Research TFE-731-3 engines which are "a perfect match in weight and dimension but, significantly, deliver 20 per cent more thrust. The avionics. including the Sperry auto pilot will also be American. The modified version is expected to cost around \$3.8m, and with U.S. components world-wide servicing

rill be no problem.

If the ICX marketing forecasts prove accurate, the deal could provide the Soviet Union with a substantial hard currency income over the rest of this century. What is more the sight of Soviet-designed planes flying between provincial towns and rural airstrips to international airports throughout the U.S. and other western markets would be the sort of highly visible advertise ment for Soviet technology which the Soviet Union is interested in. Several key details still have to be negotiated however, in-cluding the size and nature of the licence and royalty payments. It has still not been decided whether to agree on a fixed sum licence fee or a royalty on sales round of negotiations takes place in Moscow next month but ICX is confident that a deal can be

Zambian copper backlog remains at high level

LUSAKA-Despite the reopening of Zambia's southern route through Rhodesia in early October, there remains an 80,000tonne backlog.

Industry sources disclosed that 141,000 tonnes of copper is awaiting shipment. Of this 67,000 tonnes is in transit on the northern route to the Tanzanian port of Dar es Salaam, and the southern route via Rhodesia to the South African port of East

Nearly 49,000 tonnes is held at the mines of the State-owned Roan Consolidated Mines (RCM) and Nchanga Consolidated Copper lines (NCCM), while a at least as much, the backlog further 25,000 tonnes is at the cannot be reduced.

Since the normal pipeline for the two companies totals some 60,000 tonnes, the effective backlog is \$0.000 tonnes. This is approximately the same amount held up before the border decision.

The reason, say shipping sources, is poor performance on the Tunzania-Zambia Railway (Tazara). One source said that only three of the lines 27 locomotives were in operation.

· East London is expected to ship about 30,000 tonnes a month, but unless Tazara can handle

French motor manufacturers hold off foreign competitors

BY TERRY DODSWORTH

PARIS - French motor manu- organisation, however, import lifting their share of a market which has gone up by almost 2 This is the main conclusion of

a somewhat bizarre year for the French industry, which started very flatly but has since taken off to bring registrations very close to the 2m mark. Sales are expected to reach

1.94m units when the final returns are in for December, of vhich importers will bave about 21.7 per cent against 22.2 per cent last year.

facturers have successfully sales have begun to pick up resisted the pressure from foreign car importers this year. could be rather higher next year.

signed by the first quarter of

In October they rose to 36,281 units against 35,411 in the same month last year, lifting their market penetration from 20.5 per cent to 20.9 per cent. This trend is expected to continue next year. when the French manufacturers aim to make a big push overseas at the expense to some extent. of their home market.

The most popular imports on the French market come from Germany, with Ford, Volkswagen and General Motors all doing According to the latest figures well, even though Ford sales rom the importers' wate have declined a little this year.

acheap Christmas present. A few words.

With nearly everyone on STD now, a phone call is so simple.

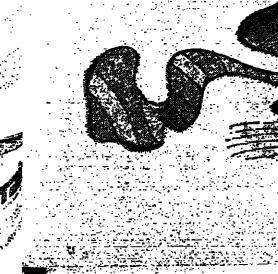
And you can afford to buzz them on Christmas Eve and Christmas Day as both days are Cheap Rate. Boxing Day is Cheap Rate too, except in Scotland where Cheap Rate is on New Year's Day instead.

Many of our operators will be at home with their families over the holiday period, and on Christmas Day (New Year's Day in Scotland) only enough staff will be on duty to deal with 999 calls

and calls to places which cannot normally be dialled. There will be no Directory Enquiry service.

Of course, our operators will do all they can to help you in cases of real distress.

Post Office Telecommunications



Talks hope as strike

TALKS are expected to resume pected to discuss the offer at

ployers of 9,000 provincial for an offer of at least as much

journalists, whose strike over as the 14.18 per cent and 14-19

journalists, whose strike over per cent which have been pay enters its third week today per cent which have been pay enters its third week today offered to weekly paper

unlikely to re-open formal talks, hardship fund to be made today on the basis of an end to the are based on the union's own

The union is likely to press

journalists in Scotland and

forthern Ireland, respectively.

The Scottish offer would give the 250 journalists it covers a rate of £72.50 a week, and the Northern Irish offer its 100

journalists a rate of £73 a week The 8.9 per cent News-

paper Society offer would give

The NUJ seems likely to want

possibly a higher overall offer

in response to its £20 a week across-the-board claim, as the

offers from the Scottish News-

paper Propriétors Association

Ireland Newspapers refer only

to weekly newspaper journalists.

are based on the union's own fighting fund and on the £7,000

it has collected by voluntary

The union will also hold a

The first payments from the

of the Association of Northern

by journalists

BY PHILIP BASSETT, LABOUR STAFF

Union of Journalists and em-

The strike seems set to con-

tinue into the New Year though,

and in preparation for the

stoppage running through the

holiday period the union today

Since the effective ending of

the Government's sanctions policy in the private sector.

Ht has also offered to re-open

negotiations with the pre-con-dition of a return to work in the provinces. The NUJ has

rejected the pay offer and is

The Newspaper Society today will receive an offer from the

NUJ of informal working party

the Newspaper Society

action.

enters third week

this week between the National a meeting today.

Fewer jobs for Yorkshire workers

BY RHYS DAVID

JOBS are still being lost faster than they are being created in special areas designated by West Yorkshire for concentration of development resources, according to a county study of economic trends.

The county's economic priority areas, as they are known, were selected for special aid in 1977 because of high unemployment, job loss, emigration, lack of job choice, and industrial obsolescence, and have been formally included within the county structure plan so that they can be he focus of government initiatives.

Over a three-year period the areas, which include a number of towns formerly heavily dependent on wool textiles, saw a total of 390 positive developments involving investment and employment creation and resulting in the prospect of 13,800 jobs. There were also 188 negative developments recorded. however, resulting in the loss of 16,600 johs—a net loss of 4,800 johs.

The report, the first of a new series of quarterly surveys of economic progress within the county, highlights Bradford as county worst affected by job losses with a net loss of 3.000 in the period covered—almost 80 per cent of them in the inner city. The city has been affected by losses in textiles and by closures in more recently established industries including Thorn Consumer Electronics and Lucas Aerospace.

Regeneration

Kirklees, the borough covering Huddersfield, lost 1,900 jobs again, mainly in the inner city, but in Leeds there was a strong contrast between losses of more than 2,000 in the inner city and gains on the outskirts. There were also substantial net gains in Wakefield, where new industrial estates have been developed close to the M1 and M62 interchange and in Calderdale—the area which includes

The county authorities are hoping to stimulate further development in the area with a £20m spending programme over the net 10 years. Industrial improvement areas have also been established in inner Bradford and Dewsbury and further schemes of this kind are being looked at.

A scheme for textile area regeneration has also been submitted to the European Com- its view that the published mission which could form the basis for similar action in other textile areas throughout the

Rise in output of man-made fibres expected

By Rhys David,

OUTPUT BY Britain's manmade fibre industry for the whole of 1978 is now expected to be 8 or 9 per cent up on the previous year, following a continuing small improvement in demand in the third quarter. The industry, seriously affected by the big increase in imports of textile and clothing products into Europe, produced 447,850 tons of fibre in the first

The final quarter is expected to better than the closing three months of last year, when there was a sudden collapse in This is expected to help the industry towards a pro-

nice months, 2.6 per cent more

OBITUARY

John Geddes

Before joining the company John Geddes had established a considerable reputation in the public relations field, principally by assisting Sir Leon Bagrit in explaining to the British business community what was then called automation, but is now more widely seen as the first part of the computer revolution. He was thus one of the best known and most successful practitioners of his profession when he became our public relations adviser. This, as we are principally a newspaper business, presented for him a problem as well as an advantage. For most journalists a public relations function is closely examined before it can be accepted as contributing to the general aim of providing better information for readers. As a newspaper is its own best public testimonial, how could a public relations man improve on what the Financial Times could say for itself purely by doing a good

job in its own colums? We soon found that in John Geddes we had a person with whom we could all work. First of all he showed that his scrupulous concern not only for truth but for the whole truth was up to the highest standards of journalism. Second, his natural sensitivity enabled him, even though no longer a young man when he joined us, to learn in a very short time our corporate aspirations-always complex in newspaper business-and come to share them. Yet he never failed to warn us when he thought our picture of ourfalse one.

duties being extended to the He was a man who inspired comsupervision and control of all plete trust and the greatest companies promotional affection.

JOHN GEDDES. Promotion activities, and of our conference Director of the Financial Times, department, where he was also died suddenly at the end of last a great success. He remained week. This is an appreciation of up to his death a fountain of him from one who worked with new ideas large and small. him throughout the time he had Among his many achievements been with the Financial Times, were his roles in the Financial Times Clipper race to Australia and back, and in the National Management Game. Much of his success was due to his character.

He got on extremely well with those he worked with inside and outside the company, and with all kinds and conditions of people. He did not consider any simple task too trifling for him, nor any grandiose scheme involving the persuasion of business and political leaders too daunting. He liked all sorts of people and they liked him back.

His natural kindness, charita-bility and enthusiasm gave a sense of reassurance to those about him. He gave an air of distinction to all he did. He concerned himself not only about the fortunes of the company, but of all those with whom he came into contact within it. and it is perhaps for this that he will he best remembered at the Financial Times. Despite indifferent health over a number of years he never complained. and bore great pain with great

fortitude. He made a unique contribution to the lives of those with whom he worked closely, and our lives will be made the poorer by his death.-A.V.H.

M.H.F. writes: On first meeting John Geeddes, one was struck by the sheer size of him and everything about him. His ideas were big, too big, it was said by those who did not know him well. He would smile and with infinite attention to every detail, with firmness, with kindness, with the help of the wider circle of friends all over the world he would make it happen. selves was different to that held And if by chance you had to by others or in any respect a play some part in his scheme of things, he would make certain He was a real professional, that having done what you were unsparing of himself, and ex- supposed to do, you enjoyed pecting the highest standards every minute of it. He was a from those who worked for him. wonderful companion and a His ability led inevitably to his raconteur in the great tradition.

'Unwinding of distortions may boost money supply'

THE GROWTH of the money monetary growth during this supply on the wider definition period." (sterling M3) could be boosted in the next few months as a showed a modest increase in result of unwinding of distor-tions in the recent figures, it is Greenwell comments, that argued by stockbrokers W. though the distortions to the argued by Greenwell.

money stock figures in its latest bulletin, the firm says that it has received some official support for

sterling distorted downwards.

Commenting on the November

figures have not yet been unwound, they are not becoming any worse.

The mid-November statistics

In future, the firm expects some reversal. "For example, is as with last year, the official seasonal adjustments in the main tax paying season do not fully distorted downwards.

The recent Bank of England
Bulletin points out, he said, in tax deposit and other short-term discussing the six months to instruments, some reversal of October, that for a number of the downwards distortion to reasons, "the figures under-stated the underlying rate of the coming months.

Able Civil Servants need promoting, says report

recruited for fast promotion within the Civil Service and existing staff should be given Department report published yesterday.

The report, prepared by an

inter-deparmental committee under the chairmanship of Mr. John Moore, a deputy secretary than in the same period last at the Civil Service Department, recommends a compromise between the continuation of a special recruitment policy aimed at attracting potential graduate "high fliers" and graduate promoting civil servants from within the ranks."

duction total for the year as a Under the new scheme pro-whole of around 600,000 tons. posed by the committee the service.

FEWER graduates should be number of graduate entrants recruited into the special administrative trainee stream " would be reduced while better promotion prospects, a new rapid promotion scheme according to a Civil Service for all executive officers, regardfor all executive officers, regardless of origins and educational

qualifications would be intro-

duced_ The committee was set up last year to review the workings of the administrative trainee scheme introduced in 1971 While the primary objective of the report appears to be to ensure a continuing supply of a restricted number of very able it has also accepted the need to seek out and develop the talented staff already in the

Severe pilot shortage 'may restrict travel'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A SEVERE world shortage of airline pilots is emerging as a result of the rapid recovery in the growth of air travel. It is expected to be especially acute in the UK, with more than 200 new pilots a year likely to be needed in the early 1980s.

The recovery in traffic has been particularly marked this year under the stimulus of heaper fares in the U.S. and Western Europe and it is expected that, overall, this year's gain will be about 10 per cent, to about 660m passengers. For the immediate future, the expansion is likely to be about

7 to 8 per cent a year, which is expected, together with the need to phase out older and noisy jets by the mid-1980s, to create a demand for more than 4.000 new airliners of all kinds, worth more than £40bn over the next few years. The effect of the growth on

pilots will be equally dramatic. In the U.S. alone, the air trans-

port industry is expected to hire at least 2,200 to 2,500 new pilots before the end of next year. In the UK, the position has een made more acute by the fact that during the slack period of air transport growth in the early to mid-1970s few new

pilots came forward and many were reaching retiring age. Thus, the pilot force was run restra down. The UK airline pilots' develo force stands at more than 6.000, traffic.

breed tiger

prawns in

captivity

SCIENTISTS at the Fisheries

Experimental Station at Conwy, Gwynedd, in North Wales, have shown that a

new farming industry is

possible in Britain—intensive

Using jumbo tiger prawns.

which attain edible size in six

months, in continuously re-

cycled sea-water tanks, the

Ministry of Agriculture scientists have produced

healthy baby prawns for the first time in captivity.

Adult prawns, feeding on pelleted food similar to that

used to raise trout and

salmon artificially, composed

of fish meal, vegetable proteins and vitamin supple-

produced millions of baby

The experiment has been

carried out in insulated fibre-

glass or wooden tanks, heated

to a tropical sea temperature

of 28 degrees centigrade, using heat conservation techniques.

The Fisheries Station con-

centrated on ten species of tropical prawn and found that

Pacific tumbo tiger prawn, was the most hardy of all

types for reproducing in this

The recycling and purifica-

tion of the sea water served to control pollution and the entry of disease.

Following the breakthrough

in breeding techniques, the

way was now open for com-

mercial evaluation, said Mr.

John Wickens, senior scienti-

fic officer in charge of crus-tacean culture at Conwy.

of fish farming would require a high level of capital invest-

ment, Mr. Wickens said, although the investment

would produce a rapid cash

flow in terms of high yields of what is a luxury product.

The operation of this type

"Penaeus Monodon,"

controlled environment.

prawns.

Pollution

By Sara Davies

prawn farming.

Welsh

of which more than half are This shortage will be even employed by British Airways. Studies by the Air Transport and Travel Industry Training France, continue to insist upon Board show that retirements will continue to deplete this figure at the rate of about 200

year for the immediate future, with at least another. 150 a year dropping out for medical and other reasons, a net outflow of about 350 a year. The drain will be met partly by 130 to 150 pilots a year trained for British Airways, with about 35 to 50 coming from the RAF, and perhaps another 25 or so independentlytrained pilots from private

New airlines

Thus, the UK could be short of more than 140 pilots or so a year in the early 1980s and he number could rise according to the rate of traffic growth. Four new airlines have been formed in the UK in the last year-three passenger charter airlines by the Global, Horizon Midlands and Intasun tour groups, and one freight airline,

Coupled with the demand emerging from the expanding airlines of the Third World, the overall demand for pilots could be so great as to be a restraining influence on the development of world air

Scimitar—all needing pilots.

more acute if pilots' unions in some countries, such as three-pilot crews on some new short-hauf jets, instead two-pilot crews.

Meeting this demand will; create big problems for the limited number of available training establishments.

Even the RAF cannot be regarded as a big source of holiday period the union today supply. It is suffering its own will start to pay out £36,000 pilot shortage and is tending to from its hardship fund. retain its transport pilots for as long as it can.

The air transport industry and would like the Government provincial newspaper employers to take steps to promote the has firmly tabled an uncontraining of airline pilots as a ditional offer of about 8.9 per matter of programs. regards the situation as serious matter of urgency.

• Brymon Airways, the independent Plymouth-based airline, is buying a De Havilland Canada Dash Seven four-engined airliner, costing about £2m. The 50-seat aircraft is due for delivery in the spring of 1980, and will be used on Brymon's flights to and from the Channel Islands, Gatwick and the Irish Sea routes from Plymouth.

This is the first UK order for the Dash Seven, described as one of the quietest airliners flying. The De Havilland Canada's total orders for the aircraft stand at 33, mainly from U.S. and Canadian airlines.

Borg-Warner develops transmission system BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

BORG-WARNER Corporation's variable transmission is ex-UK plants are to undertake pected to be on the market further development, and prob-ably manufacture, of a new within four to five years. Borg-Warner's investment in automatic transmission system originating from the Dutch company, Van Doorne Transmissie.

stantial stake in Van Doorne. Development of the belt and pulleys part of the automatic transmission, which is designed for front-wheel-drive cars, will take place in Holland. But the main development work will be carried out at Borg-Warner's research centre in Letchworth, Hertfordsbire.

Borg-Warner and Fiat have said that they propose to take a sub-

It is expected that manufacture will be shared between Detchworth and Borg-Warner's other UK factory at Kenfig, South Wales.

the joint venture with Fiat and the Dutch company will be between £2.5m and £5m, with each company taking a 24 per cent stake in Van Doorne Transmissie through a new stock Van Doorne will retain 391

per cent and the Dutch Govern-ment a 121 per cent stake. Sale of the Van Doorne stock, which is still 75 per cent-owned by the Van Doorne family, is subject to the approval of the directors of all three companies. Mr. Whybrow said that the

transmission was obviously of "great interest" to Flat, but it was thought that "it will also be sold elsewhere eventually." Borg-Warner which claims to

Mr. Peter Whybrow, manag- be the largest manufacturer of ing director of the Letchworth automatic transmissions in the sion, said yesterday that world, already sells to many car

Department stores show improved prospects

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT THE HIGH profit margins of department stores have proved

sidiary, puts it ahead of the rest of the department stores field, according to a new survey.

The study by Jordans, which covers the financial performance

of 120 department store com-panies, reveals that Peter Robinson has the highest profit margin, at 17.7 per cent, as well as achieving the highest return on tangible canital amployed. on tangible capital employed-77.9 per cent

Only seven other companies covered in the survey had profit and credit sales.

margins higher than 10 per cent.

Jordan says Among the smaller companies included in the survey, a depart-stores are in contrast to the ment store in Learnington Spa, situation facing most European P. H. Woodward, emerges with the best record—showing a profit margin of about 20 per cent, in the last four reported

Peter Robinson, the Burton remarkably resilient in the face Group womenswear retailing sub- of new pressures and competition from other retailers. It points out that Debenhams has opened new stores in four big towns this year while the Civil Service Stores has carried out a The store's improved

formance is said by Jordans to be due to such factors as the wide range of brands on offer central buying improved management, and substantial investment in improved facilities

Jordan says the improved prospects for UK department stores are in contrast to the ones. All of them are under-stood to have recorded losses in

the past two years.

Department Stores, published. ears.

bil Jordans Surreys, Brunswick
The survey also concludes that Place, London, N1, price £60.

fallen by 15 per cent this month

to reach its lowest level for

three years, and the sharpest change for 18 months.

cent of consumers felt now was

a good time to buy "big things

for the house," compared with

31 per cent who thought it not a good time. This gives an index of 6 per cent compared

with 21 per cent in November

and 26 per cent in October.

There is an element of

seasonal variation in this sharp

fall, as many people revise their

spending decisions when the

Consumer concern over un-

employment shows a fall of 1

per cent to 19 per cent, its

lowest since January. But 35

January sales are announced.

The survey showed that 37 per

talks on the dispute. The national raily on the strike in society's negotiators are ex. Nottingham on Wednesday. Arbitrators award 16% to Boots workers

BY OUR LABOUR STAFF

by the Central Arbitration Com- rigidities produced by succes-mittee. It is expected to cost sive Government pay policies the company £2.5m in a full and a job revaluation scheme. year.

The decision upholds a claim on behalf of warehouse and factory workers by the Union of Shop, Distributive and Allied Workers. Payments will be made in the first week of the new year.

It will give increases of £7.10 week to the lowest-grade rkers, rising to £15.50 a week to the highest grade.

SIX THOUSAND employees of ing, on average, about £10 a Boots, the chemist, are to week less than workers in other receive increases of about 16 per pharmaceutical companies. The cent after a "fair wages" award difference stemmed - from

> have agreed a new scheme to bring the grading structure up to date from next month: The company co-operated with the union to provide informa-tion for the committee, which was asked to rule that the pay-gap was unfair under the termisof the Fair Wages Resolution,

The union will open talks on a new wage claim for the The union said yesterday that company's workers after considthe Boots workers were receiv- ering the committee's award.

Talks to start on BBC Christmas programmes

BY OUR LABOUR STAFF

over the Christmas period. Probecause of an Association ban on overtime. Mr. Tony Hearn, general

secretary, said yesterday that the union would be looking for its Phase. Four settlement in the expected talks. The battle over pay seemed to have been won in the private sector with the abanadonment of the sanctions policy, but the Government would not be likely to move so easily in the public the BBC to highlight its long-

its BBC members should not work more than 42 hours a television staff under incomes week, nor more than 12 hours policy. those for working through meal breaks, nor work with any these instructions. The effect of the overtime policy.

BBC representatives will meet ban is that some Christmas promanufacture and testing of the manufacturers from its UK Broadcasting Staff this week to abandoned some production is prototype would take 18 months plants. including BL Cars. try to prevent the loss of tele, at a standstill and radio and to two years. The continuously- Volvo. Chrysler, and Saab. already been lost. Yesterday, the corporation

lost its early morning programme for Asian viewers and its Film of the Week on BBC2. A Radio Four programme, One Man, Once Voice, was replaced with records.

Today, the current affairs programme Tonight is not expected to appear and further cuts are expected tomorrow.

The dispute is being used by standing grievance that the pay The union has decided that of many of its staff has been left behind that of independent

a day, nor accept any work. The corporation is transmit-attracting payments such as ting messages on television screens and on radio before rearranged programmes that the member who refuses to follow cause of the alteration to the schedules is Government pay

Hairdressers' 12.5% rise 'scandalously low'

BY OUR LABOUR STAFF

PAY RISES for 135,000 hair after two years apprenticeship dressers; due to come into force and two years in the industry, today after a wages council and from £27.85 to £31.35 for the settlement, have been attacked most easily comparable rate, by the independent Low Pay workers aged 22 and over. Unit as "scandalous."

The unit says that this rate

The unit says in a report on the Hairdressing Undertakings Wages Council settlement that a 12.5 per cent pay rise for wor-kers aged 22 and over could have been up to 60 per cent and still remained within the low pay provisions of the Govern-ment's guidelines.

for an operative hairdresser at least £40 a week

could have been increased, not

by £3.50, but by anything up to £16.65. The new rates, were "appallingly low," and the attitudes of the wages council "not lust irresponsible, but scandalous." The unit calls on the wages council to bring the higher rates

fully up to the £44.50 low paid The Stage Four settlement carnings level allowed for by will increase minimum 40-hour the Government and to increase week wages from £32.50 to £37 all other trained adult rates to

Dock Board approves pay-offs on Mersey

THE NATIONAL Dock Labour bour Company, which employs tered dockers on the Mersey be worked out and no move will

adjustment has been made we increase the labour force in port labour force down to about another company. 5,600 compared with 18,000 in The Mersey Docks and Har- 1948.

Board has given the Liverpool, two thirds of the labour force, board permission to offer volume is seeking about 500 redun-tary redundancies to 650 regis dancies Severance terms have yet to

because of over-manning be made before the New Year, The Liverpool board origin when efforts are expected to ally applied for voluntary get the Government to foot at severance for 711 men in three least part of the £5mr bill for stevedoring companies, but an severance pay, adjustment has been made to The reduction will bring the

FINANCIAL TIMES SURVEY OF CONSUMER CONFIDENCE

Christmas goose not getting too fat

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

Christmas could be lower than confidence published today.

Only a quarter of people interviewed for the survey said that they expected to buy more than last year. The other threequarters expected to buy either the same or buy less. Of the total 44 per cent indicated that they expected to buy less.

spending will surprise many in the retail trade who looked for substantial growth on last year's than October. The index, how-

Over-55's and women from the for two years. ABC1 social classifications are spenders. Less than one in five I per cent on November. plans to spend more. Men from

spending appears to be uncer- though there was a sharp fall

could be lower than Although the December index according to the of "future confidence" by con-Financial Times survey of con- sumers has stayed stable for three months, the six-monthly index continues to reflect the long-term decline over the halfyear in consumers' optimism for the future.

The December Index shows pessimists in a clear majority for the third successive month, 17 per cent expecting conditions to improve and 31 per cent to worsen, giving a nega-The forecast of less consumer tive index of minus 14 per cent. ever, remains at its lowest level

The six-monthly index stands likely to be the smallest at minus 9 per cent, a fall of The main reason for pessi-

the ABC1 appear prepared to mism remains rising prices, spend more, as many saying cited by almost a third of conthey will as say they will buy sumers. The numbers giving the Government" as a factor The reason for curtailed doubled, from 8 to 16 per cent. tainty about the economy and in the numbers blaming trade number as last month feel progress in improving living

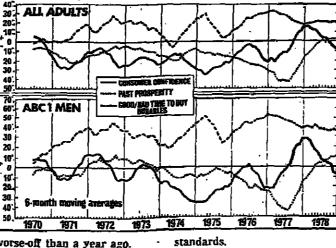
CONSUMER SPENDING this politics early in the New Year. unions and strikers, from 33 per cent to 24 per cent. For the optimists, the general feeling that "things must improve" was cited by 39 per

> Analysis of the "future confidence" is closely related to pessimism about the more immediate Christmas spending. Women from ABC1 social classifications are by a wide margin the most pessimistic sub-group in the survey, while ABC1 men show more con-

cent, a rise of 3 per cent on

Paradoxically, the index of past prosperity-how consumers feel compared with 12 months ago-has risen slightly this month. It shows 33 per cent of worse-off than a year ago. 30 per cent who feel worse-off. This gives an index of 3 per cent, a rise of two points over last month, due to an overall high level throughout 1978. increase in the proportion feel- indicating a year when con- 1979. ing better-off, as the same sumers felt they had made real

fidence.



years of the survey, in August and October this year.

Past prosperity has been at a

consumers feeling better-off This month's index has only than a year ago. compared with twice been exceeded in the nine many unknown factors in the immediate future mainly the immediate future, mainly the prospects of a General Election and a rise in inflation, for the

per cent still expect unemployment to increase, and 16 per cent to fall.

Again this is reflected in the adults was interviewed. "Lime-to-buy index," which has

The survey was carried out by the British Market Research Bureau for the Financial Times between November 30 and December 6. A sample of 909 CBI trends. Page One

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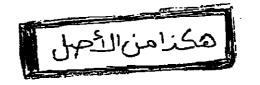
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CRENDO

a to binid a

FACTORIES OFFICES

& WAREHOUSES



mediate d Wan's sea osperity '

• HANDLING

To the state of th

HINA LINK

Speeds travellers on their way

regular service the AMW or accelerated moving walkway "foreshadowed at the turn of the last century by H. G. Weils in 40 metres and a capacity in each "The Sleeper Awakes."

But whereas in that remark-hour it takes a section about the last century by H. G. Weils in 40 metres and a capacity in each direction of 12,000 users per hour. It takes a section about the second control of the last section about a capacity in each last section about the second control of the last section about the second control of the second control

able feat of prediction the rolling ways were built up in parallel strips, each consecutive one running slightly faster than its neighbour, the French TRAX system is so designed that the central portion of the single strip moves at a higher speed than its embarking and alighting sections.

This must sound impossible, at first reading, since one is talking about a continuous moving band carrying people who are standing on it throughout its length. The secret is that the surface

of the track is made up of a series of ridged plates, with interleaving ridges or teeth, that can move relative to each other somewhat after the fashion of a telescope. Underneath these plates, and supporting them, is a series of telescoping tubes in pairs, through each pair of which runs a closed chain running around four sprockets.

These four sprockets are at the apexes of a quadrilateral which can be made to after its shape to extend or retract the telescoping tubes on which the footplates of the walkway rest.

This will cause the plates to slide out or retract into each other which, in turn, will elongate or retract the moving band just as a worm stretches or contracts. The difference is, of course, that the walkway forms a continuous band. There are a number of

important consequences resulting from the application of this ingenious system. The major part of any such walkway can be made to travel at consider-

COMMUNICATIONS

Recording, gathering and analysing the traffic data is also a complex task in itself.

uncertainty from the task. Traffic

based on a software package interpret an "Tacinet," which takes all the if required.

Design of a network

FRANCE is likely to be the first veyor will run at 12 km/h. country in Europe to put into Central speeds of 18 km/h are regular service the AMW or already being considered.

9 metres long to accelerate
users from 3 to 12 km/h and
the maximum acceleration imposed is one metre per second per second.

The system is able to follow a curve of 60 metres radius and take a 20 per cent gradient. Designers are already talking of

walkways up to 1 km in length for the near future.

It has not been possible to design a handrall system moving design a handrall system moving in synchrony with the carrier hand, so the solution chosen was to mount "handgrips" on a similar system of deforming quadrangles to that used in moving the carrier plates relative to each other. This means the hand grips will speed up and the down at the carrier plate is the

adjacent plates, and the adjacent users—it is hoped.

RATP, the Regie Antonome de Transports Parisiens, which has always been a great innovator, has been experimenting with many types of AMW since 1967. At the same time, the Centre de Recherches Mécaniques Hydromécaniques et Frottement at St. Etienne has provided a powerful support centre for development and has been working with a full-scale: 70 metre prototype of the Lyons installation

This prototype has been extensively modified during test running now amounting to many hundreds of hours, and it is intended to remove the whole unit, lengthen it and instal it at one of the Paris Metro stations. What the next step will be is anyone's guess. French engineers ably higher speed than access and exit sections. In the first French prototype system to be move stepwise from 3 km/h to set up in 1979 at the main much higher speeds than the station in Lyons, access and 12 km/h now envisaged which exit will take place at 3 km/h brings us back to—The Sleeper while the main body of the conare discussing high-speed trans-

FACED WITH the problem of call information logging equipdesigning and ramining a private ment.

network of communications, with
switching and features to provide maximum utility at a reports which clearly indicate every hour are being produced in Sweden by Jannersten AB.

Tacinet produces a series of up to 5,000 paper-back books every hour are being produced in Sweden by Jannersten AB.

Avesta, using an extremely large tions manager must resort to a network. It is switchile for situa-

tions; network topology; switch-

From this, an optimum net-

interpret and act on the results

This announcement appears as a matter of record only

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Systems Development Centre,

and ing centres; and economics.

complex task in itself. work can be designed and A solution offered by Pactel is consultants are available to help

records are taken manually at switchboards or by extension users or again by Pactel's Tacis"

Appendix Development Centre,
Pactel International, 33 Greycoat
Street, London SWIP 20F. 01-828
6374

ENERGY

Solar power panel offer

POWER modules drawing electrical energy from sunlight for industrial, professional and domestic applications, and available at a price which is competitive with available imported ing such extremes as sund-blast-

perious are on offer now from Ferranti.

The new MST300 design satisfies requirements for mechanical strength, reliability and long life under extremes of environmental and climatic conditions.

Standard equipment contains 36 silicon cells, each 3 ins in diameter, series-connected to give an output of 1.1 amps at give an output of 1.1 amps at 14.4 volts, It measures 560 mm × 480 mm and is only 130 mm deep. Aluminium construction offers good heat-sink capability and makes the unit suitable for use in high ambient temperature zones.

A recessed aluminium extru-sion, into which the base plate and cover are fitted, assures a positive hermetic seal and prevents ingress of moisture into mercial use on a large scale the resin filled space containing appears feasible from, say, the the silicon cells. Injection of carly 1980s onwards.

This resin at the final assembly Ferranti Electronics, Fields this resin at the final assembly stage ensures that all air is removed from between the cover OL9 8NP. 061-624 0515.

ing such extremes as sund-blast-ing or ultra-violet degredation. All materials used have been selected for full compatibility with neighbouring components, whilst differential co-efficients of expansion have been minimised.

At £200 or more for a one-off unit or £150 in quantity, this is not a cheap proposition. Essentially, if the device is reliable, it should pay for itself in three or four years. If industry is going to rely on solar power units, how-ever, suppliers will need to pro-vide much bigger outputs and shorter amortisation. But it is only in the U.S., where millions if not billions of dollars are being made available for solar technology, that enough money is being channelled into silicon solar cell development that com-

SEMINAR

Offshore emergencies

A SEMINAR is to be organised seminar will cover general

Aimed at designers, engineers and managers in the oil process- 61, High Path, Merton, London ing and contract industries, the SW19 (01-543 1241).

by GP-Elliort Electronic Systems at Merton Technical College on classification on the first day, the March 14 and 15 next covering second will be taken up with foam, water and Halon systems, and display, and by GP-Elliott Electronic Systems philosophy, detectors and area at Mecton Technical College on classification on the first day; the slow down at the same rate as the adjacent adjacent plates, and the adjacent ciated control systems for offnears—it is hoped. A part of the adjacent shore platforms, terminals and future trends including microprocessor based systems. More from the company at

EXHIBITION

Accent is on testing PROMISING TO be the largest of that utilised at the 1977 Inspex

specialist engineering show of its at the NEC. kind ever to be staged in Europe is the eighth Inspex at Birming-ham's National Exhibition Centre April 2-6 next year.
This will be 15 times larger

than the first Inspex which took place in London in 1965, with over 90 manufacturers, agents and service companies displaying products from many countries. A record attendance of over-seas buyers is anticipated next year when exhibitors will take up more than 20 per cent space

inch plate can print about half of an average 150-page paperback book delivering 5,000 copies on

two tons of paper

Before this "jumbo" version.

3M's largest plate, made at its
Middleway, West Virginia U.S.

plant, measured about 90 inches long by 58 inches wide and was

used for printing dress patterns. 3M UK, 380 Harrow Road, London W9 2HU (01-286 6044).

PRINTING

Largest

plates

Categories of exhibits include an unprecedented number of new machines, instruments, tools, accessories and services span-ning the entire field of engineering inspection, testing, metrology, quality control and roll and cheque-writing auto-matically, as well as manageassurance, ranging from emission ment reports, statistics and of The Solicitors' Law Stationery instrumentation to work benches. analyses. Oyer says the system Society group.

DATA PROCESSING

Univac pushes Varian

development and manufacturing, manpower has grown to 1,037 with further expansion envis-aged. Facilities have been upgraded with an infusion of more than \$51m in capital equip-ment, including some of the latest automatic and semi-auto-matic production and testing A recently installed flow solder

machine increases the number of printed curcuit boards which can

SINCE ACQUIRING Varian Data Machines in June, 1977, the Sperry Univac's minicomputer operations, based in Irvine, California, have undergone major changes in manufacturing facilities and capabilities.

Starting with 527 employees in the starting with 527 employees in manufacturing facilities and capabilities.

Starting with 527 employees in the starting with 527 employees with 527 employees in the starting with 527 employees with starting with 527 employees with starting with 527 employees with starting with starting with starting with mounts on hardware and soft-ware design, research and development and product development. Almost \$91m will be spent in FY79 (ending March

> ment.
> Following this remodelling and streamlining of production facilities, shipments, which were roughly \$3m a month at acquisition, are currently running at almost double that amount.

Micro teaching kit

Hire and Svea Data Communica- cover the whole of Scandinavia.

tion and Computer AB have By joining forces with Svea launched a joint company— Data, Livingston Hire is able to

Euro Electronic Rent AB—to be combine considerable local based in Stockholm.

Operational in January 1979, back-up with availability of the the company will initially meet largest European rental pool,

AN AUTOMATIC accounting can also be used to relieve the

Solicitors' accounts

OBJECT of a kit from Intel, on-board LED display/keyboard SDK-86, is to give engineers first connection, the user's TTY or hand experience of the hardware, architecture and machine code of able), or in a special mode in

contains all the necessary components to build a functional system in a few hours. A compact but powerful system monitor is supplied with general software facilities and system diagnostics in pre-programmed read only memories.

STM-SS communicates with the containing the board.

Memory is easily expanded simply by soldering in additional devices.

Only simple tools are needed for assembly and a manual is provided. Intel Corporation (U.K.), 4 Between Towns Road.

the 8086 16-bit microprocessor. which one of the company's InA complete microcomputer on tellec development systems can
a single board in kit form, it transport finished programs to
contains all the necessary com-

only memories.

SDK-86 communicates with the outside world through either an (U.K.), 4. Between Towns Road.

Cowley, Oxford OX4 3NB (0885 771431).

UK group in Sweden

AFTER A detailed study of the the demands of the Swedish at closing time.

instrument needs of the Scan-electronic instrument rental dinavian market, Livingston market and will later expand to

SECURITY

Takes cash from point of sale

ACCORDING to DD Lamson considerable assurance against robbery from tills in shops and stores can be obtained with the application of the company's 31. 1979) for product developwell-known pneumatic

> cash at each point of sale by running the pneumatic tubes direct from each cash register to a central strongroom or safe which can be sited well away from both customers and staff. At the same time, each till

carries a clear printed label stating that the system is in operation and that the tills contain only enough cash for change any attempt to rob.

use of their Secure Cash System sill appeal to the insurance companies and might result in reduced premiums for retailers. An advantage for the shop's the accounting staff is that they can the

"cash up" throughout the day and avoid tackling the whole task

CRENDON CONCRETE CO. LTI Long Crendon Bucks. Tel: 208481. METALWORKING The idea is to prevent the accumulation of large amounts of Stopping

precision THE DIFFICULTY encountered by machine tool designers of ensuring that an end stop switch always operates at the same place—many do not tain only enough cash for change purposes. It is expected that criminals "casing" the premises will see the labels and abandon any attempt to rob ny attempt to rob.

rated into an oscillating circuit

DD Lamson believes that the such that, as soon as an external

An added advantage is that be "stop" data is not lost if the power supply is interrupted: as long as the force is present on the disc the oscillator cannot function.

The company is at Gosnort. Machinery Division, 3b. Church Hampshire PO12 BG (07017 Road, Croydon, CRO 1SG \$7311).

• INSTRUMENTS

Radiation dose check

IN INSTALLATIONS where a The WD-100's micro is pro sizeable number of personal grammed from the keyboard of radiation dosimeters are in use, the WDR-100 from Wallac will allow the accumulated dose to groups, basic dose (year, life be read from the instruments at time), printing mode and regular

grammed to the specifications of automatically identified because Each monitor takes about two Ovez Stationery, which is part his dose and his details are kept seconds to read and if required in the dosimeter's small solid a digital display will show moni-

system for solicitors is being offered by Oyez Stationery.

As well as legal accounting and time-recording the system, called Oyez LX2500, handles payroll and cheque-writing auto.

tor number and dose.

Entertain this Christmas-and be sure of a certain smile

It's the festive time of year, and there are clients to be dined, hard-worked staff to be wined, and friends to be entertained.

Whatever the reason, here's a selection of particularly welcoming restaurants where the food and the atmosphere are sure to generate a warm glow - and a certain smile.

The Wyvern, London Recently opened at the

Cumberland Hotel, Marble Arch, this prestigious new restaurant features authentic British dishes, many of which date back to original 18th century recipes -Salamagundy, Sirloin Steak with Wow Wow Sauce and Jugged Dorset Hare are just three delicious examples. Appropriately, the excellent wine list includes three English wines. The décor evokes a feeling of quiet, spacious English elegance, while the heraldic theme is captured by a handsome wyvern tapestry. Tel: 01-262 1234.

The Hunting Lodge, London

Naturally enough, the elegant décor of this luxury restaurant invokes the opulent world of huntin', shootin' and fishin'. Certainly the spoils of such sports can be enjoyed to the full in such superbly traditional English dishes as ported duck, mixed game pâte, smoked salmon and jugged hare. The wine list merits especial attention, reflecting as it does the contents of one of London's best-stocked cellars. 16 Lower Regent Street, SW1. Tel: 01-930 4222.

The Black Swan Hotel, Helmsley, Yorkshire

Britain's greatest heritage of hospitality must lie in the many traditional THF inns and coaching houses, which welcome guests from Land's End to John O'Groats. The Black Swan at Helmsley in Yorkshire is a superb example, with its handsome diagonal half-timbered exterior. This 400-yearold hotel, part-Tudor, part-Georgian, partmodern, makes a marvellous place to celebrate Christmas, with a feast of superb steak, and wines to match. Bookings on (04392) 466.

For a completely different gastronomic experience, how about carving your own traditional roast, from the best of British beef, tender lamb, or succulent pork, with a selection of vegetables, a choice of first courses and desserts? - all for under £5 excluding drinks. Carveries like the one in the Albany Hotel, Birmingham 021-6438171, can be found throughout Britain at selected

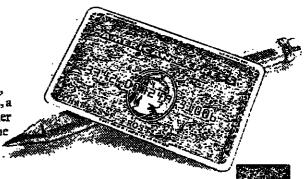
THF hotels. They're open for lunch and dinner, seven days a week.

This is just a selection of many splendid and individualistic restaurants throughout Britain which share two important qualities - they're all backed by the name of Trust Houses Forte, and they all warmly welcome the American Express Card.

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If you'd like to know exactly where all THF establishments are, ring 01-567 3444, or write for the Map Tariff to: Trust Houses Forte Hotels Ltd., P.O. Box 1, Altrincham, Cheshire WA145BJ.

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Trust Houses Forte warmly welcome the American Express Card

minimum cost, the communications manager must resort to a detailed, and often time-consuming study.

Optimising the range of variables encountered makes this a delicate task of balance and cost-enecuveness, or a private printing plate.

Avesta, using an extremely large printing plate.

When the publishing company began to build its new two-rationalisation of an existing network in an already developed network in an already developed network in a single colour web printing press from every corner an already developed network in a single parts from every corner and already developed network in the publishing company began to build its new two-rationalisation of an existing network in a single colour web printing press from scratch, using parts from every corner and already developed network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing company began to build its new two-rationalisation of an existing network in the publishing the publishing company began to build its new two-rationalisation of an existing network in the publishing the a delicate task of balance and an already developed network in compromise which can tax the tune and closely matching busia deficate task of balance and compromise which can tax the ingenuity and resources of busy communications people. The amount of calculating and reworking necessary before an optimised scheme emerges can be considerable.

tune and closely matching busions functions properties of Europe, it specified offset film and plates from 3M Sweden. These offset plates are the largest in Sweden, if not the charges; busy hours, location, world, and are 10 feet long and optimised scheme emerges can route and system; common route that the considerable and resources of busy ness requirements.

The amount of calculating and charges; busy hours, location, world, and are 10 feet long and optimised scheme emerges can route and system; common route that the charges; busy hours, location, world, and are 10 feet long and optimised scheme emerges can route and system; common route that the charges; busy hours, location, world, and are 10 feet long and optimised scheme emerges can route and system; common route that the charges; busy hours, location, or the charges;

ding and Givil Engineering

£17m to Wimpey

anciliary facilities for the fluid Pembroke Cracking Company, at unit. Parabroke, South Wales, com-

Work is due to start im- entire project is about \$290m.

COMPLETE on-site mediately on the contract which crection of pipework and is scheduled to take 18 months. Pembroke Cracking is a part-nership formed between Texaco catalytic cracking unit (FCC), at and Gulf Oil (Great Britain), to present under construction for construct, own and operate the

prises a contract in the region vert heavy fuel oil to gasoline of £17m, awarded to George and other refined products are Wimpey M. E. and C. by scheduled for completion by Snamprogetti of Basingstoke. September 1980.

Heats. Total development cost of the

with concrete block infilling and external rendering.

region south of Abu Dhabi city,

Sharjah when the job is com-

room accommodation are to be built on Dus Island under a

modate 180 European and Asian

Island is another Adma-Opco contract worth £2m for an ex-

tension to another camp—that at Al Sharq where conventional

temporary camp accommodation

for traditional beam and slab

INCLUDED IN recently awarded

contracts totalling over £2.6m,

provide a travel centre for Sea-

link (BR Shipping & Inter-

The company is to create a

luxury fashion shooping centre on

change, Manchester, for Glengate

2. PSA-DoE. Jarvis Southampton

is building a two-storey extension

Under a contract from the

Properties (Manchester).

petroleum gas plant.

work in connection with a new

Already well under way on Das

permanent staff.

At Asab in the same desert

Tarmac in the Gulf

G AMD T Construction, the joint of reinforced concrete frame venture operation between Tarmac International and the Dubat-based Churair Group has won a 27.7m road contract in the

Emirate of Abu Dhabi.
This brings the Ghurair-Tarmac Abu Dhabi order book total for the past three months to over \$16m.

Tarmac's quarry at Manama in The ten-mounth contrast covers

widening, repair and resurfacing of 28 km (between the city of Ain and Al Yabar village) of tas 160 km Al Ain to Abu Dhabi

Following the line of the old curavan routs, the present road is a two-lane dual carriageway. Guard T will end plane the existing esphalt surface, construct an ed littoral lane on each carriageway, and resurface the 23 km length. Consulting engineers for this fork are Freeman Fox Interrationel.

Gand Thus also been awarded two contracts in the Abu Dhabi units are being supplied and oil fields, At Bu Hasa a 12-month erected on concrete base foundajub his begun to extend the re adential: accommodation where five single-storey blocks
Tarmac a contract for placing
will be erected to house 100
concrete foundation work. This
steff. The contract includes latest award, worth £300,000 is recreation and laundry facilities and the crection of squash Most of the structures will be Work will last three months.

£6.4m block £2.6m jobs in Bahrain

WORK HAS begun in Bahrain J. Jarvis is to modernise offices on an 11-storey development for at Victoria Station, London to Cable and Wireless.

H. Webb (Construction) is national Services Division). undertaking the £6.4m contract which is due for completion by the end of November next year. three floors within the Royal Ex-

The building is to have piled foundations, reinforced concrete floors and stairs, block walls and Directorate of Defence Services hronze anodised aluminium windows, duors and screens. The architect is F. W. Hammond and of an existing technical training Cost Partnership the quantity block at HMS Sultan, Gosport,

Services Agency of the DoE.

The facilities, which will con-

about £675.000, a further 165,000 sq ft of concrete taxiway is to be provided at RAF, Upper Heyford. Oxfordshire, where the company is already constructing 31 aircraft shelters under a £6m contract awarded earlier this

Boscombe Down, Wiltsbire.

Experimental Establishment at

Under the same contract, worth

£ $2\frac{1}{2}$ m mine

tation Mining has won a contract worth about £2 m for coal mine shaft sinking at Malla in the Nine two-storey blocks of bed-

Two vertical 11-metre diameter shafts are to be sunk to respective depths of 115 and 99 Transvaal. G and T by Adma-Opco. Its metres. Provision of permanent Sahid Camp on this island in the Gulf is to be extended to accomcluded.

Chatham store

units are being supplied and A NEW branch of Bentalls department store is being pre-pared in High Street, Chatham. Bechtel has also awarded Sir Robert McAlpine and Sons under the terms of a nearflm contract.

An existing three storey building is to bave lifts, escalators, suspended ceilings and various services installed, with completion scheduled for the summer FOUR HOUSING contracts in

Factories in Yorks.

WORK HAS started on a nineacre site at Manse Lane. Knares-borough, where three factories are to be built for the GSPK Group of Harrogate.

Construction work under the £1 m contract is being carried out by Field Construction of Leeds and Harrogate, a member of the Rohan Group.

All three factories will be on one level with a total floor area of 60,000 square feet. The first two will be completed by June next year, and the third a year

Laing wins £9.6m INCLUDED IN contracts worth over £9.6m awarded to John Laing is one for £7m for work at two air bases for the Property

Contracts together worth nearly fim are for the construction of 50 flats in Oldham, and the second phase of the Oldham Metropolitan Borough Council's Barker Street Estate develop-ment (£600,000). and for the renovation of flats for Man-The biggest job worth over £6.6m, is to build aircraft shelters at the Aeroplane and Armament chester City Council under a

£300,000 scheme. A further two contracts, together worth fl.6m, are for building 113 dwellings capable of accommodating more than 430 people. The company will con-struct houses, flats and bungalows in Sussex Avenue. Hunslet, and houses, flats and a shop in Carlton Lane, Rotherwell, all in the Leeds area.

Fairclough

THE JOINT South African min- CONTRACTS together worth ing company Gold Fields Cemen- Fl.Sm have been awarded to Fairclough Construction Group for building work in Lancashire and Cheshire.

Under a £1.1m contract for the DoE, the company will build a four-storey office block in Cherryfield Drive at Kirkby. Merseyside, providing extra accommodation for the DSS. In Blackpool, an extension is

being built on the promenade at Louis Tussauds Waxworks to extend its permanent exhibition. A £340,000 contract for Salford City Council is for 27 new homes in Rigby Street, Salford.

Mowlem £3.2m housing

new towns are worth together 23.2m to John Mowlem.

Largest project for £1.2m is at Milton Keynes for work on the Conniburrow 2C scheme for the Development Corporation. This consists of SS low-rise houses of traditional construc-

Stevenage Development Corporation has awarded film for 90 homes to be built at Trumper A contract for £715,000 is for the erection of 54 maisonettes

and flats at Mercers, Katherines Neighbourhood, for the Harlow Development Corporation. Finally, at Redditch, the com-pany is undertaking the construction of 22 homes at Beoley Road, in a £260,000 contract awarded by the District Council which

is providing architectural and

quantity surveying services.

lands. It includes 50 lodges, a The project was designed by heated swimming pool, games Shankland Cox Partnership, and club rooms and a laun- which is also responsible for the derette, on a landscaped 28-acre civil engineering works, with site, at Carrbridge. A loch for Allen Gordon and Co. of Inver-recreational use, formed out of ness, engineering consultants, a peat bog, is another of the superintending the formation of the loch. Overall construction

facilities created. The centre, Lockanhully is being carried out by William Lodges, is expected to open early Tawse, of Aberdeen, under a in the New Year. The lodge contract valued at about £1m.

fim is being developed to produce alfalfa and forage crops in one of Saudia Arabia's most arld areas, south east of Riyadh.

Irrigation in Saudi

Architect's drawing for the new Temple

Island scheme, near Marlow, Bucks. Gough

Cooper plans to develop the 5.2 acre area as

-Equipment for the project, in-

AN IRRIGATION project costing the Lindsay Manufacturing Company, a subsidiary of DeKalb AgResearch, based in Nebraska,

Technicians will erect the equipment and instruct local people over a 70 day period, and cluding 17 automatic centre-pivot two technicians will monitor irrigation machines, is being operation of the equipment for manufactured and installed by a year.

of St. Austell for an advance factory for the Development

Commission at Camelford,

The Development Commission

at Catton, Allendale, has awarded a contract for £67,800 to Michael

Thompson of Carlisle for an

Advance factories

THE English Industrial Estates Corporation has announced the start of work on nine advance factories on sites throughout the

Seven factories are being built Cornwall. for the Department of Industry at Sutton Fields, Hull, under a contract worth about £980,000 to Stepney Contractors of Beverley, N. Humberside

A contract worth about £91,000,

Flooring at EMI's new HQ

centre in Tottenham Court Road. The flooring will be made up

A CONTRACT worth £370,000 for CM30 which is a 600 mm square 17,000 sq metres of flooring for panel mounted on adjustable the new EMI administrative steel supports giving an understeel supports giving an under-floor clearance of 85 mm. The London W1, has been awarded 30 mm thick panels are made, and Turner's appointment to to H. H. Robertson (UK), by from high density chipponrd on assist Maunsell with preparation.

The flooring will be made in a second tender documents for a major. galvanised steel trars and are individually removable to give

AN ALL-THE YEAR ROUND leisure centre is now nearing completion for the Automobile bathroom, living room, balcony EXTENSIVE trials and storage.

a picturesque village with 70 four-bedroom

leasehold villas, each having its own car-

parking and boat mooring. Construction work

begins early next year.

Ashfield company. Mebon Paints, being chosen as the paint sup-plier for piles in many sections of the Thames flood defence scheme

scheme.
Punishing on-site tests which comprised piles being coaled and driven then withdrawn were followed by laboratory tests to see how the Mebon coating with-

Boncote PU is a blend of epoxy resins and special pitches cross-linked with an isocyanate to produce a very high molecular weight polyurchane with high resistance to abrasion, water and chemicals. It has outstanding advantages over normal pitch epoxy coatings in its speed of drying, even at temperatures down to 0 degrees. This allows which includes site development works, has been awarded to Selleck Nicholls Williams (EEC)

rapid recoalability.

Bonbuild is a two-pack isocyanate cross-linked...epoxy pitch with the major advantage of high build coating which allows one coat application per pile with consequential time saving. Bonbuild is dry enough to handle and ship the next day. Mebon Paints, Blackwell Road. Surton-in-Ashfield, Huthwaite.

advance factory which should be

sultants in the design of passen-gers handling facilities at Basiah International Amourt in Iraq. This follows Scott, Browning

Highlands holiday centre Protection

EXTENSIVE trials of coatings. for the protection of the piles have resulted in a Sutton-in-

stood the treatment.

·Two of Mebon's range of Boncote heavy duty products-Boncote PU and Bonbuild are being supplied to the Anglian Water Authority, the Southern Water Authority and the Greater London Council who are all involved in this scheme.

Airport work ARCHITECTS and planning consultants Scott, Browning and Turner is to assist Maunsell Con-

expansion of Baghdad Inter-

national Airport

Norwest Holst total capability

IN BRIEF

• The PVC division of British Industrial Plastics (Turner and Newail) has signed a continuation contract valued at £150,000 with Mitsui and Company, Japan, for the supply of "Extradex" pipe and fittings to be installed.

at Yanbu in Saudi Arabia.

The pipe will be used in water transmission and drainage lines on the industrial complex to be built at the western end of the Yanbu - Jubail trans - Arabian pipeline.

A development being under-taken by International Stores: in conjunction with the London Borough of Bromley is a new 42,000 sq ft superstore, car park and 15,000 sq ft office development, at Homefield Rise, Orping. ton, adjacent to the Walnuts-Shopping Centre.
Total cost of the project is

film and the main contract has been let to Marshall Kain.

Two contracts won by Woods Construction are for 16 two-storey flats in Ringmer for the Chichester Diocesan Housing Association at £224,724 and an addition to existing office premises for Collins and Hayes. Menzies Road, Hastings (£134,146).

of J. E. Lesser (Scotland) is to design and build a new two storey bedroom extension together with conference area for the Peebles Hotel Hydro. Work on the project worth £300,000, started last month

A site at Gillingham in Kent is being developed by Wiltshiess in association with Giflingham Borough Council and National Coal Board Pension Funds, to provide 38.000 square feet of small industrial units, designed to attract smaller users and companies about to commence indus-trial business.

• Redland Industrial Services (Arabia) has been awarded a filium contract by the Arabian American Oil Company (ARAMCO) for hydro-jetting and chemical cleaning gas/oil separa-tion plants at its refinery at Ras Tanura.

• Youngman System Bullding has received orders totalling 5528,382 from Fluidrive Engineering Company. Main work is the building of a new two-storey office block to accommodate administrative personnel at Brackholt Berkshire.

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idken in part eximalise from a distinguished concernor; fascratishers 4.9, excling appearance in dark metallic blue, Chy 4.000 in dark metains, controls conditions errors Daytona, controls conditions exactly one of the filest examples

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Fjord metallic blus with blus cloth interior, tinted glass, central
electric windows, ellay wheels
1978 728 AUTOMATIC
From 573.12 ne From £73.12 per week

1978 MODEL 7331 AUTOMATIC From £88.49 per week GLATIC From Establishment interior, manual sunroot, tinted ers. central locking and alloy wheels if AL. From £55.89 per week Reseda metallic green with green clotte gless, electric winniows, central 1978 MODEL 5281 MANUAL Finished in fain green 1977 633 CSI AUTOMATIC From £85.24 per week

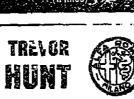
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WESTLAND AIRCRAFT

SOURCE AND USE OF FUNDS

Why Westland still has to prove it can fly high

BY RICHARD LAMBERT

IN THE view of the City, a Blackwell, the chief executive: adapt it to a newly designed dark shadow hangs over the The problems creep up on you aircraft like the Lynx. future of Westland Aircraft, until you realise that the Even ofter three years of Britain's only helicopter manumanagement system you have facturer. Its share price has had in the past does not necesfallen to a third of the high sarily cope with the new point touched ten years ago, conditions." point touched ten years ago, thus valuing the group at just £20m—well under half its net

Profit figures for the year to September, due to be an-nounced next month, could and the dividend payment is in question. In the latest accounts, for 1976-77, published in January, Westland had said that the substantial provisions which it had made against losses on a Ministry of Defence contract for Lynx helicopters took into account likely levels of inflation over the next few years. Yet in June it revealed that an even larger provision against the same contract might be required in 1977-78.

Westland has also hit problems on its hovercraft business. where costs on a major contract to stretch two SR.N4 hovercraft have run far ahead of budget.

Two questions have been raised by these damaging setbacks, both of them mainly about the helicopter business which accounts for two-thirds of The first is whether Westland's product company selling in ments

the helicopter marketplace can fixed price basis. he a long term contender in a highly competitive international

It was not until around 1970 that Westland moved into the export market in a big way with the Sea King, developed by Westland from the U.S. Sikorsky S-61 design. And only in 1973 came the decisive break with U.S. based designs when pro-U.S. based designs when pro- it was dealing with a new haps 50 or 60 will be for the duction started on the Lynx design, not one which had 1973 contract and accounting helicopter — conceived and already been manufactured else-

designed by Westland itself. To compete in the export market the group had to be prepared for the first time to build fixing payment rates. For years, on a speculative basis, in order production workers at Westto reduce its lead times. It also land's Yeovil factory had been had to vary its designs to suit paid on a piecework system. individual customers, and to While this was practical when establish a whole raft of extra the group was menufacturing

. Controlling as many as 60,000 separate works orders on mechanical recording systems posed formidable problems. Until about three years ago physical checks of work in prohorrendous reading, gress for accounting purposes dividend payment is in were almost unheard of at Westland, Mr. Blackwell concedes that control systems in the past were much laxer than they are now, and is confident that the position is well in hand. Orders, work in progress and other key inputs are currently moving onto a real time com-

But in the early 1970's, West-land certainly had trouble in controlling a backlog of spares for its customers, and profits were held back as a result. And just as it started to get on top of this problem, along came

Awful

The terms of the initial Lynx contract with the Ministry of Westland's capital employed. Defence were unique-and awful. A product of the Anglomanagement can cope with French accord of the late changing from a Government 1980s, the contract seems to contractor in the West Country have combined the worst of the into what is becoming a multi- French and British governcontracting ; arrang-ments. On what was a large The second is whether a com- contract; for 119 aircraft, 25 per pany of its size and position in cent of the total cost was on a

> Inevitably such terms brought difficulties just at a time when inflation was starting to take off. These became almost crippling when combined with the production difficulties which Westland faced with the new helicopter. Contrary to the company's previous experience. where.

established products under According to Mr. Basil licence, it proved impossible to

Even after three years of work on the Lynx, Westland had still only reached agreement on about half the necessary piecework times. In the first year it completed less than a third of its planned output on the 1973 contract, and in the third year it still was about two-thirds of its target.

This failure made it impossible to project the flow of the production line, and thus had serious consequences for the level of inventories. Between 1973 and 1977, gross work in progress rose from £56m to £148m-largely due to the Lynx contract. This also explains why Westland had this year to announce further big provisions against the contract only months after the hig write down in its report and accounts. The group had got its sums right on completed work - but had anticipated a sharper fall in production times than it was actually able to achieve. After a series of confronta-

tions—culminating in the summer with dismissal warnings for the 2.000 production workers at Yeovil-the helicopter company has now moved from piecework to a system of measured day work, with performance related bonuses. The industrial relations wounds are still healing. Such a fundamental change in working practices has inevitably led to an initial drop in productivity, and will probably take a year or two to settle down. But at least the Lynx is coming off the production line at an acceptable rate.

been running at five or six machines a month, almost twice what was achieved in the first months of this financial year. In the 12 months to next September, Westland hopes to produce about 80 Lynx, of which perfor almost half of it. The group will not make any profit One of the biggest problems on those. But in a year's time, with the new designs was in the 1973 contract should be just about completed, and meanwhile the rest of the helicopter business-including spares for the Lynx-is earning a reason-

able return. Meanwhile the balance sheet is looking much more healthy than it did a year ago. Thanks to the Lynx, helicopter sales doubled between 1972-73 and 1976-77, but the pre-interest return on capital fell to only 5.6 per cent. As a result, the group's borrowings soared from £7.3m to £36.7m (mostly short term) compared with shareholders' funds of £55.3m.

Since then, however, inventories have started to stabilise and a big drive has been mounted on debtors. In addition, Westland has received a down payment of £15m on a large Lynx contract for the Middle East.

Business courses

The Young Buyer, London. February 12-16. Fee: £165 plus VAT. Details from PMG Executive Training and Development, 207 Victoria Street London Victoria Street, London,

Be A More Effective Executive, London. February 12-13. Details from Eurotech Management Development Service. PO Box 28, Camberley, Surrey.

8th International Company Lawyers Conference, Montreux, Switzerland. February 21-23. Fee: BFr 30,400 (non-members), BFr 27,400 AMA/1 Members. Details from The Registrar, Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium.

Designing Systems with the 9900 Microprocessor. February 12-23. Fee: £500. Details from the Course Registrar, Bleasdale Computer System. 7, Church Path, Merton Park, London, SW19.

The Art of Data-Processing within Materials Management. Learnington Spa. February 13 Fee: £60 plus VAT. Details from Purchasing Economics, Pel House, 35 Station Square, Petts Wood, Kent.

International Marketing Seminar, Geneva, Switzerland. February 19-March 2. Fee: SFr 5,000. Details from The Admissions Secretary. Centre d'Etudes Industrielles, 4 chemin de Conches, CH-1231 Conches-Geneva, Switzerland.

Current Practices in the Enrobond Market, London, February 5-6. Fee: \$600. Details from AMR International 6-10 Frederick Close, Stanhope Place. London, W2.

Establishing, Operating, Managing Captive Insurance Companes; Amsterdam, January 23-25. Details from Risk Research Group, Bridge House, 181 Queen Victoria Street, London, EC4.

the way, the immediate outlook will depend on further orders fident about the workload through to the end of 1982, and the Lynx seems to have established itself as a leader in the world market for naval helicopters. What has to be seen now is whether the Lynx can crack the market for army helicopters in a big way.

Generate

Thereafter, the next big step will be the introduction of the Sea King replacement-the WG-34-on which it is hoped to start production somewhere around the mid-1980s. If all goes to plan, development work on the project will generate substantial turnover during the next few years, on a fully funded, cost-plus basis for the Ministry of Defence.

Will it lead to Lynn-type problems: Westland stresses that "the terms of the 1973 contract were not what we would normally expect," and underlines the importance of its working practices. In addition, the group says that it has learnt important lessons from its first venture into international collaboration.

The key, according to Mr. Blackwell, is "to take decisions according to who can make the particular product most efficiently - not on the basis of Buggin's turn."

The project is going ahead in Output since the spring has German involvement will be to exploit its initial success in helicopters (Acrospatiale claims big company among the world's prove.

a civil yersion, which would be a large, 30-sear aircraft. The 1970s, it proposed a civil ver- key airlines would guarantee over 7,000, idea is in produce this heli- sion of the Sea King-provided success. copter in partnership with the that British Airways and Bristow French and it could cost as ordered three apiece. They did much as £30m or £40m to not-and there are now about develop-a sum that Westland 50 Sikorsky S-61's (from which seems confident of securing the Sea King is derived) operat-

Westland claims that its size Westland badly needs to is not a constraint in its long-

NET

SHAREHOLDERS'

756

Hurdle

Moreover, the international

selling Wessex machines, to that its share more than manufacturers, which generally As soon as the military heli- Bristow in the 1960s, because it doubled to nearly 12 per cent seem to run to between 5,000 copter programme is launched, did not recognise the poten- in 1977). But it is talking and 10,000 employees. The the intention is to get started on tial market for helicopters in about much larger helicopters, workforce at Westland Helioffshore services. In the early where orders from just a few copiers currently numbers just

WORK IN PROGRESS

RETURN ON AVERAGE

CAPITAL EMPLOYED

HELICOPTER

So Westland could make it. lis financial controls have improved significantly in recent been brought into some key helicopter companies are not areas. There is a fair chance built on the same vast scale that, once the very had results as other aerospace businesses, for 1977-78 are out of the way, Westland badly needs to is not a constraint in its long- Admittedly. Westland is the financial outlook could be make its mark in the market term plans for civil aircraft, dwarfed by Bell Helicopters, reasonably promising for 2-3 for civil helicopters, which by It reconsises that Acrospatiale, a subsidiary of the U.S. con- years ahead. However the 1990 will probably be at least the nationalised French manu- glomerate. Textron, where group has a number of major collaboration with the Italian as big as the military market, facturer, has needed lots of annual sales currently amount hurdles still to overcome, and company, Agusta, and the hope. So far, its record is one of financial muscle to break into to over \$800m. But by most after its performance in recent some French and missed opportunities. It failed the key U.S. market for civil other standards, Westland is a years, it has everything to

all others using that

information, such as

despatch, production,

the system, can restrict information on a "need-to-

know" basis.

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(Redemption Groups No. 3 and 4 having fallen due before)

As provided in the Terms and Conditions Redemption Group No. 2 amounting to Dfls 17,500,000 has been drawn for redemption on December 1, 1978 and consequently the Notes belonging to this Redemption Group are payable as from

February 1, 1979

Amsterdam-Rotterdam Bank N.V. (Central Paying Office) în Amsterdam

Banque Générale du Luxembourg S.A. in Luxembourg.

December 4, 1978.

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 Appointment of the bondholders' permanent representa-tives, designation of the substitute representatives. Determination of the bondholders' representatives' capacities and of the indemnities given to the permanent representatives.

representatives.

To permit the bondholders to attend or to be represented at this meeting, the bonds or their deposit receipts, must be deposited at least five days before the date fixed for the meeting, at the offices of the banks having participated in the placing of these bonds and from whom proxies or admission cards can be requested. This meeting shall be validly held if the holders of twenty five per cent of the outstanding bonds are present in person or represented.

The Board of Directors

The Board of Directors

Shifting the burden of VAT

BY COLIN JONES

cant suggestion for changing claims are valid. the structure or operation of the tax to have emerged from the year-long review of VAT on which the Customs and Excise reported just before the weekend: and the possibility is now being examined in detail by a working party of representatry, trade and professional

The principal merit would seem to lie in vastly simplifying the administrative burden which VAT imposes upon industry and the tax authorities while leaving unaltered its nature as a tax on consumer spending-on a wider base than the purchase and selective employment taxes if replaced—which does not enter industrial investment. In other words, it would move VAT in the direction of a general sales

Control

During the lengthy debate which preceded the introduction cially, putting the whole weight of VAT five years ago, the main of VAT collection on the retail drawback was always seen to stage would considerably widen be the necessity to tax the value the scope for evasion and fraud. added at each stage along the and thus add to the problem of chain of production and supply enforcement. Experience of in order to levy a charge upon single-stage sales taxes abroad the final consumer. It is this multi-tier or cumulative feature of VAT which causes the bulk of VAT transactions-and thus itself would be no bad thing. the bulk of their recording by industry and their checking by Customs and Excise—to occur at the intermediate stages of

In all more than 11m businesses are registered for VAT, bers' agreement. The overall as against less than 70,000 for merit of the idea is such, howpurchase tax before 1973, and ever, that the difficulties can be pany and its subsidiaries who applied for them, and his dustry could teach the Japanese should be not could be a subsidiaries of them. The subsidiaries who applied for them, and his dustry could teach the Japanese should be not could be subsidiaries who applied for them. The subsidiaries who applied for them, and his dustry could teach the Japanese should be not subsidiaries. about 30 per cent of them regu- left to argue for themselves. larly qualify for repayments of Given the way in which turninputs exceeds the tax due on over the last 60 years on the their outputs. According to the latest figures, these net repay- be no reason-in principle-for

black and white.

12.45 pm Midday News. 1.00 Pebble Mill. 1.45 The Flumps.

3.15 Songs of Praise. 3.53 Regional

News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Maxidog.

4.25 Jackanory Writing Competition. 4.40 "Tarzan and the Amazon Princess." 5.00 John Craven's Newsround. 5.05 Blue

5.55 Nationwide (London and

5.40 Evening News.

THE IDEA of eliminating to the tax authorities. Yet the value-added tax on transactions Customs and Excise, which aims between businesses registered to visit one registered business for VAT and confining its col- in three every year, is unable lection to those which sell to leave businesses which redirectly to the consumer would ceive payments of VAT out of appear to have considerable its control system since it is attraction. It is the one signifi- necessary to check that their

Single stage

Doing away with VAT on transactions between registered businesses prior to the retail stage would not be a completely novel arrangement since a tives of the department, indus- broadly similar procedure operated under purchase tax hetween registered manufacturers registered wholesalers. There is already a VAT provision which permits groups of companies to elect to eliminate intra-group VAT charges. The scope for administrative

savings should not however be over-stated. There would have to be arrangements allowing registered retailers to distininto the cost of exports or guish between sales to consumers and sales to other registered businesses-or allowing the latter to reclaim VAT on their inputs (a feature lacking in purchase tax)-so as to avoid tax-exempted businesses incuring VAT charges which they could not pass on. More crusuggests that, because of this. the rate of tax would need to be kept low-although that in

Finally, there is the very real political and practical problem posed by the EEC directives on VAT, which would appear to rule out such a major change in the absence of the other mem-VAT because the tax on their over taxes have been evolved Continent, there would seem to ments amount to about a third believing that we have yet

THE HABIT of giving presents paid, renounceable letter of decided not to apply for any at Christmas time is not acceptance of his application shares, as many of his fellow restricted to family and friends. for 5,000 shares the day before employees did in fact decide. Employers regularly make gifts the market on the Stock at this time of the year to Exchange opened. (The comemployees. The crucial question missioners, held that the value is: does the benefit granted by, of the shares on that date was and at the expense of, an em- £1,20.) When dealings started ployer attract tax as being part next day there was a stag view they did. Everything ultiof the employee's emoluments? market and the price at the

Tax on your gifts

preferential price. That expec-

tation was realised and the

making a total of £1,000 (the

value of the shares was con-

siderably higher once the market was opened).

The crucial finding of the

affairs and fortunes of the

held that it was an advantage

on the £1,000 profit on his

acquire 5,000 shares at £1 was

The lower courts, however,

a benefit conferred on the tax-

prerequisite that arose from the

taxpayer's employment. The

the shares were allotted to him

at a price lower than the strik-

ing price for allotment to

Before allotment, he had no

right to any shares and no other

legal right of any kind. But

shares could not have been

allotted to him unless he had

the advantage was attributable

own decision to apply for 5.000

shares. He had to take a view

of the company's prospects and

ment decision on his part.

members of the public.

If such gifts are to avoid the close of dealings had risen to clutches of the Inland Revenue £1.35. they must be made in such a The benefit to the taxpayer way as to be neither rewards was the right to subscribe at for past efforts nor inducements what was expected to be a to future good industrial rela-tions. They must not be inspired by hope of some quid commissioners found that he pro quo from the employee, but obtained 20p on each share, be simply an expression of good making a total of £1,000 (the will appropriately signified at

Christmas time. Where the benefit is granted by the employer, as distinct from a benefit derived from third parties (such as the taxi driver's tips) there is the inevitable question as to the purpose of the employer.

The employer's motives in conferring the benefits are highly relevant, since there is a strong inference that it stems not from brotherly love but from the relationship of employer to employee.

Whether a particular benefit, capable of being turned into money and granted by an employer to an employee, constitutes part of the latter's emoluments, was considered tinue to be loyal employees, again by the House of Lords in having an understanding of and a decision last week. Tyrer v. a sense of involvement in the emoluments, was considered Smart (Inspector of Taxes).

The question was whether an Rentokil Group."

ption of shares to employees, The commissioners, in effect, option of shares to employees, taken up by a senior employee, formed part of his emoluments afforded to the taxpayer in so as to be taxable under return for acting as an Schedule E. The taxpayer was employee Hence he was taxable employed by Rentokil, a subsidiary of Rentokil Group, a pri-shares. vate company in which the chief shareholder was a Danish com-

Early in 1969 it was decided that the parent company should payer by the company. go public. The Danish company was to sell to Westminster Bank held that the benefit was not a part of its holding of shares in the parent company and a taxpayer's employment. The further block of shares was to advantage accrued only when be issued by that company to

the bank. Nine tenths of those shares were to be offered by the bank to the public at not less than £1 a share: the remaining tenth was to be offered at the fixed price of £1 a share to employees of the parent comhad been employed for five

vears or more. Applications by employees for shares at £1 had to be made before the tender price was to, or caused by, the taxpayer's struck. They had to be accompanied by a cheque for the full price, and once made were

Williams.

Circus.

11.00 Late News.

6.25 Help!

of his willingness to risk his standard of quality, said the The taxpayer received a fully money, and he might have 8.10 An Evening With Andy

9.30 am Conquest of the Sea: 'Carnival Under the Sea." 10.15

Gullivers Travels. 11.30 Survival. 12.00 pm Paperplay: "Owl and Cat." 12.10 Rainbow. 12.30 Eng-

land, Their England. 1.00 News at One. 1.20 Thames News. 1.30

About Britain. 2.00 After Noon. 2.25 Monday Film: "A Dream For Christmas." 4.20 Clapperboard.

4.45 The Paper Lads. 5.15 Mr. and

7.30 Coronation Street. 8.00 Robin's Nest: "The Happy

9.00 The Streets of San Fran-

10.30 Monday Night Film: Elke

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Hen," with Tessa Wyatt and

7.00 The Best of Bernie.

Tony Britton.

12.15 am Christmas Pie.

8.30 World in Action.

10.00 News at Ten.

10.00 Survival, 10.25 A Sense of Theatre. 11.15 God Bless Ua Everyone, 11.40 Oscar. 11.65 The Sweet Sugar Doughnut. 12.30 pm Wildlife Cineme. 11.20 Border News. 2.00 Houseparty. 2.25 Matines. 5.15 University Challenge. 6.00 Cookeround Monday. 6.20 Caroon Time. 7.00 Mr. and Mrs. 9.00 Family. 10.30 Pro-Celebrity Snooker. 11.16 Barnaby Jones. 12.10 am Border News and Weather. 9.00 Monty Python's Flying 9.30 The Body in Question.
19.20 Just The Book for Christmas with Robert Robinson.

GRAMPIAN

9.25 am First Thing. 9.30 Survival
Special. 10.25 A Sense of Theatre. 11.15
God Bless Us Everyone. 11.40 Oscar.
11.55 The Sweet Sugar Doughnut.
12.30 pm Make It Count. 1.20 Grampian
News. 2.25 The Regions Report. 2.55
Monday Matinee: "Destination Inner
Space." 5.15 University Challenge. 6.00
Grampian Today and Area Weather.
6.05 The Electric Theatre Show. 10.30
Reflections. 10.35 Film: "Play Misty
for Me" starring Clint Eastwood.
12.25 am Grampian Late news.

GRANADA

TYNE TES

9.30 am The Good Word followed by
North East News Headflines. 9.35 In
Search of . "Bermuda Triangle."
10.00 Ghost Busters. 10.25 A Sense of
10.00 Ghost Busters. 10.25 A Sense of
14.40 Oscar. 11.55 The Sweet Sugar
11.40 Oscar. 11.55 The Sweet Sugar
12.25 Family. 3.20 Generation Scene.
12.25 Family. 3.20 Generation Scene.
13.55 Carttoon Time. 3.50 Lassie. 5.15
University Challenge. 6.00 Norther
12.25 am Grampian Late news.

GRANADA

9.30 am Sesame Street. 10.25 Survival.
10.50 Valley of the Dirosaurs. 11.10
Look at Life. 11.20 Untamed World.
11.45 A Handful of Songs. 12.30 pm
Fermhouse Kirthen. 1.20 Dado. 2.25
Monday Matunee, 5.10 What's New.
5.15 Crossroads. 6.00 Granada Reports.
6.30 Botanic Man, 9.00 Raflerty. 10.30
Mystery Movie: "The Deadly Curs."

9.30 am A Flirt with Fire. 10.00 Portrait of a Village. 10.25 A Sense of Theatre. 11.15 Stars on Icc. 11.40 Oscar. 11.55 The Sweet Sugar Doughnut. 12.00 Paperplay. 12.30 pm Out of Town. 1.25 Anglia News. 2.00 Houseparty. 2.25 Mystery Move. Colombo. 5.15 University Challengo. 6.00 About Anglis. 9.00 Twist in the Tale. 10.30 Three Days at Monza. 11.00 Tall Me Where It Hurts. 12.30 am Reflection. Report West Headlines, 10,35 Monday Film: "Young at Heart" with Frank

SCOTTISH

9.30 am The Red Baron. 10.25 A Sense of Theatre. 11.15 God Bless Us Everyone. 11.40 Oscar. 11.55 The Sweet Sugar Doughnut. 12.30 pm Farmhouse Kitchen. 11.25 News and Weather. 2.25 Regions Report. 2.55 Disappearance of Flight 412.

5.00 am As Radio 2. 7.00 Bave Les Travis. 9.00 Simon Bates. 11.31 Paul Burnett including 12.30 pm Newsboat, 2.00 Tony Blackburn including National Pop Panel. 4.31 Kid Jensen including 5.30 Newsbeat. 6.30 Stayin' Alive. 7.30-10.00 As Radio 2. 10.00 John Peel (S). 12.00-2.00 am As Radio 2.

RADIO 2
5.00 am News Summary. 5.03 David Alian (S) Estuding 6.15 Pause for Thought. 7.32 Tetry Wogan (S) including 8.27 Racing Bulletin: 8.45 Pause for Thought, 10.03 Jimmy Young (S).
12.15 pm Waggoners' Walk. 12.30 Harry Rowell's Open House (S) including 1.45 Sports Desk with racing results. 2.30 David Hemitton (S) Including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.35 Sports Desk. 4.30 Waggoners' Walk. 4.35 Sports Desk. 7.02 BBC Northern Radio Orchestre (S). 7.30 Alan Dell. 7.30 The David Bound (S). 8.02 The Big Band Sound (S). 8.02 The Big Band Sound (S). 8.02 The Big Band Sound (S). 8.02 Show Jumping. 11.05 Bana Marthew Introduces Round Midmight, including 12.00 Midmight Newsroom. 2.02 am You and the Might and the Music (S).

RADIO 4

London Broadcasting 5.00 am Morning Music. 5.00 AM:
non-stop news, information, traval.
10.00 Brian Nayes Show, 1.00 pm LBC
Reports, 3.00 George Gale, 4.00 LBC
Reports (continues), 8.00 After Eight,
9.00 Nightline, 1.00 am Night Extra. Capital Radio

Capital Radio
6.00 am Groham Deno's Breaktest
Show (S). 9.00 Michael Aspel (S)
12.00 Dave Cash (S). 3.00 Rogert Scott
11. 7.00 London Today (S). 7.30 Bryan
Wolfe's Open Line (S). 9.00 Nicky
Horne's Your Mother Wouldn't Like It
(S) 11.00 Mika Allen's Late Show (S).
2.00 am Peter Young's Night Fight (S)

BY DOMINIC WIGAN RACING

Grand Canyon finishes lame after brilliant Ascot win

That that was a tenable view could hardly be doubted. The difficulty for the courts was to say that it was unreasonable for Ascot on Saturday, and we may will never represent better value. chase at Teesside last Tues not see him until Cheltenham. The Bob Turnell gelding remains before falling at the last.

The av. New Zeelandar and the most difficult Civen a clear round this a the commissioners to take the The ex-New Zealander, an on his day the most difficult inmate of Derek Kent's hurdler in the country to beat. mately depended upon weighing the relative importance to be attached to the various primary facts, and that is not raising a

back straight on the final circuit take advantage of the 33 lb he Grand Canyon sprawled badly the Holly Chase. of the SGB Chase.

But for his remarkable balance Kenlis cannot hit the the second and agility which has contricted in the Christmas Tree buted to two Colonial Gup Novices Chase. Tony Dickinson's 3.00—Dolly Dickinson's triumphs on visits to South Carolina, Grand Canyon would have lost his legs there.

The incident caused him to Oil money aids Sailing jump the remaining fences with

the situation.

However, Gfford's seven-year. Sail come shareholders in their the company's offer might have

Chichester stable, may have This afternoon at Leicester, pulled a muscle in his off-hind Approaching's younger stable after jumping the water in the companion Modesty Forbids can companion Modesty Forbids can Darling.

on an apparent slippery patch. I shall be disappointed if But for his remarkable balance Renlis cannot lift the 2nd Divi-

GRAND CANYON, a talented all- Waterford Crystal Champion recruit from Ireland where he round performer under Natonal at 94 and 7-2 respectively.

Hunt rules in Britain, was lame. Hurdle a year ago, hardly appeal.

Park and Fairyhouse last season, after heating the consecution. But Birds Nest. 2 16-1 chance, showed up well in a novices will never represent better value. chase at Teesside last Tuesday, Given a clear round this afternoon, the Dalesa gelding should prove capable of outpacing another Gifford runner, Southern went Gat

LEICESTER

12.30—Spring Frolic*
1.00—Housebreaker
1.30—Shannon Bridge
2.90—Modesty Forbids*
2.30—Kenlis*** 3.00-Dolly Dickens

less confidence. It looked as if Two MAJOR oil companies have by refinery managers Mr. Arthur the other Sussex-trained rupner. Two MAJOR oil companies have by refinery managers Mr. Barry Webb. the other Sussex-trained rupner, TWO MAJOR oil companies have Approaching might capitalise on given \$3,000 to help more boys and girls go to sea aboard the Training Association's

Holden and Mr. Barry Webb The money is a new kind of sponsorship which will raise from However, Gfford's seven-year. Sail Training Association's sponsorship which will false from six to 12 the number of the home straight, and was a The cash—£4,000 each from Pembrokeshire youngsters now well-beaten second when Grand Texaco and Gulf—was presented able to enjoy voyages on the Canyon took the final fence with to the Pembrokeshire branch association's two schooners. Six to 12 the number of Pembrokeshire youngsters now to the most spectacular jump I have chairman of the association, winston Churchill and Maleolm Killinev.

Killiney.

Although Kybo's performance in giving Major Thompson, 9 lb London tube Stations refurbished and a 2½ lengths beating in the SGB Hire Shop Hurdle, for four LONDON TRANSPORT has and five-year-olds was a smart LONDON TRANSPORT has and five-year-olds was a smart LONDON TRANSPORT has stations on the Underground stations to remainder in the ten-runner line, older underground stations to planning progressively to give them an appearance more suited to the 1970s and 1980s, and the standard required of a future touches are now being put on the standard required of a future touches are now being put on the standard required of a future touches are now being put on the standard required of a future touches are now being put on the 1970s and 1980s, and another 40 stations are scheldled. The older brigade, of whom ment, Stockwell and Westbourne to be dealt with next year. At Blackfriars, the improvements costing over £500,000 have been carried out in conjunction. The older brigade, of whom ment, Stockwell and Westodiria to be deaft with next year.

Monksfield, Sea Pigeon and Birds Park stations at a cost of nearly

Nest form the backbone, still £1.25m.

look a cut above the juniors. Mr. Michael Robbins, London been carried out in conjunction Monksfield, and Sea Pigeon, who Transport's managing director with the rebuilding of British dominated the finish to the for railways, said: "Many Rail's station above.

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Winners 1978 SWET award Outstanding Achievement in Opera
Tomorrow & Fri 7 DD Der Rosenkavatier.
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Timb. Thur 7.00 Jonathan Miller's bried
The Marriage of Figaro. Immergely successful & enloyable." Gdn. 104 balcony seats avail for all perfs from 10.00 on day of perf.

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(Gardencharge Credit Cartis 336 6903.)
THE ROYAL OPERA.
7.30 Un ballo in maschera Cardinara replaces Wixell)
The ROYAL BALLET
Tomor 7.30 Les sylphides. Birthday Offerange.
Ing. Jazz Calendar. Wed 7.30 The Sleeping Beauty. An open 16 open day of performance of the performance of the Cardinary of the Steeping Beauty. The TWO FIDDLERS
Children's Copera av Peter Mexawell Davies.
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Theatre Dec 27. 28 Spm. Tickets £1.50 from Royal Opera House. Tel: 01-240 1966.
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Theatre.

SADLER'S WELLS THEATRE. Rosebery Are. ECI. 837 1672, Until Feb 2A D'OYLY CATTE In GILBERT & SULLIVAN EYS 7.30 Mats 5ats & Dec 27' 2.30. Tonight Tomor & Wed IQLANTHE. Thur to Dec 30 THE PIRATES OF PENZANCE.

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Mat. Thursday 3.00. Saturday 4.00.
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From 8.30 am. Party rates.
Evgs. 7.45. Thur. 6 Sat. 4.30 & 8.00.
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"MIRACULOUS MUSICAL" Fin. Times.
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with ROY HUDD
GILLIAN BURNS. MARGARET BURTON
Extra Xmas Peris. Fri. Dec 27, 28 29.
Jan 2, 3, 4 & 9 at 4.30 & 8 Jan 2, 3, 4 & 9 at 4.30 & 8

ALDWYCH, 836 6404. Info, 835 5352.

ROYAL SHAKESPEARE COMPANY in repertoire. Tonight, Tues, Wed. 7.30. Low pr.cc prevs Bronson Howard's comedy SARATOGA (First night Thurs. 7.00) With: Middleton & Rowley's THE CHANGELING (mest per? 28. Dec.). RSC also at THE WAREHOUSE (see under W). ALMOST FREE THEATRE. 9-19 Rupert Stroet London, W.1. Tel, 01-485 6224. MY CUP RANNETH OVER by Robert Patrick (Kennedy's Childrent, directed by Anthony Matthean with Glaria Gilsond and Erica Storens. Until December 16, Mon.-5at. at 1.15 pm.

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Evs. 8.00. Tues. 2.45. Sat. 5.00. 8.00
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AGATHA CHRISTE...

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"Hilarious . see it. Sunday Times.
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8.50. Dec. 26 4.45 & 8. "THE MOST
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"Comic delirium as strake after stroke
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BLISSFULLY FUNNY." Times. DRURY LANE CC. 01-836 8108. Mon-to Sat. 8.00. Mals. Wed. and Sat. 3.00. A CHORUS LINE "A rare, devasting, loyous, estonishing shinner." S. Times. 3rd GREAT YEAR,

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DUCHESS. 836 8243. Mon. to Thurs. Evenings 8.00. Frl., Sat. 6.15 and 9.00. Oth CALCUTTS.

9th Sensational Year,
"The modity is stunning," Dality Mail.

DUKE OF YORK'S. CC. 01-858 5122. Evs. Bom. Frl. and Sat. 5.30 and 6.30. TOM. Frl. and Sat. 5.00 and 6.30. TOM. Frl. St. 5.50 and 6.30. Sat. 5.30 and 6.30. DENIS GUILLEY in Ira Levin's Now Thriller OPENIN'S PUNNIEST PLAY."

DAITY TERESTAPP. "THREE CHEERS FOR TWO HOURS OF MARVELLOUS ENTERTAINMENT." S. Tel., "YERY INGENIOUS. VERY FUNNY, VERY EXCITING." Fin. Times. GLOBE THEATRE. CC. 01-437 1592. Evs. 8.15. Wed. 3.00. Sa. 6.00, 8.40. FAUL EDDINGTON. JULIA SCREYE ERNJAMIN WHITROW ALAN AYCKBOURN'S NEW CONTROL TEN TIMES TASLE LAUGhter. "This must be the happiest laughter. maker in London." D. Tel. "An Irresistibly enloyable evening." Sunday Times. GREENWICH THEATRE. 01-858 7755.

FORTUNE 838 2238. Evs. 6.00. Thurs. 3. Sal. 5 & 8. Dec. 26 & 27 5 & 8. Murlel Parlow as MISS MARPLE MURDER AT THE VICARAGE FOURTH GREAT YEAR Ers. B.OD. MAIL. Sats. 2.30 SEE HOW THEY RUN. A farce by Philip King. "As evening of unadolterated laughter," F.T. EXTRA FOR KIDS. Toni Arthur Flayaway. Geoffry Hayes. (Geoff of Rainbow) in CHRISTMAS PLAYTIME Dec. 23-Jan. S. 2.15 and 4.30. Saturdays 11.00 and 2.15.

HAYMARKET. 01-930-9832.
EVES. 8.00. Wed. 2.30. Set. 4.30 & 8.00

PENELOPE KEITH

NIGEL
HAWTHORNE KAY
ANGHARAD REES.
and IAN OGILVY in
THE MILLIONAIRESS.
"A wealth of talent and the evening belongs to Penelope Keith." D. Mail.

KING'S ROAD THEATRE, 01-352 7488. From Dec. 18, Daily 10-30, 2-30 & 4-00. THE ROCKY HORROR SHOW DON'T DREAM IT, SEE IT.

DON'T OREAM IT, SEE IT.

LYRIC THEATRE CC. 01-437, 3686.

EVA. 8.00, TRUTS. 2.00, Set. 5.00, 8.30.
JOAN FRANCY
PLOWRIGHT FILUMENA

by Eduardo de FHODO
Directed by FRANCO ZEFIRELL!

Society of West End Theatra Awards.
ACTARSS OF THE YEAR.

"TOTAL TREMPN." EY News. "AN
EVENT TO TREASURE." D. Mir. "MAY
IT FILL THE LYRIC FOR A HINDREY
LYEARS." SUNDAY TIMES.

MAY EARL THE STREETE.

MAY FAIR, 529 3035. (Green Pk. Tebe) Eve. 5.00. Wed. Mat. 13.0. Ft. Sat. 6.15. WELSH NATIONAL THEATRE CO. In UNDER MILE WOOD Dylan Thomas's comic masterpiece Children 51.50 any seat with adult

OLD VIC PROSPECT AT THE OLD VIC.
Last 4 perfs. Tess. Wed, Fri, Set 7 30
Authory Quayle as
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"Nobody with any respect for the
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Leer," Financial Times

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Dly. at 2.00. Extra certa. Tomor. Dec. 20 and Jan. 12 at 10.30 em. Also Dec. 23, 29. 30 and Jan. 5 5, 15 at 5.00.

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JESUS CHRIST SUPERSTAR

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PALLADIUM. CC 01-437 7372.

Preview Tomor. 7 30. Opens wed 7.0.

Thur. Fri. 7.30. Subs. Div. 2.45 6 7.30

"Merry Alabama Twankie in.

ALFRED MARKS 83 ABANAZAR

DIV3 WATLING. Brian MARSHALL

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Opens today. Daily 2pm. Sats. 11 am

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Evenings 4.00. Mats. Thers. Sat. 3.00.
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SHASH HIT MUSICAL." D. Matt.
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Mon. to Thurn: 8.00. Meximes Fri. and
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Exciting Black African Musical
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WEMBLEY ABEMA. Opens, Dec. 21.

The Big Christmas Show for all the
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30. and Sathseusent Sats. 2.00. 5.00. 1.00.
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ASC 1 & Z. Shattesbury Ave. ESS 8851.
Sep. perfs. As Sex Noble.
1: SUPERMAN SEXS. Noble.
1: SUPERMAN SEXS. Noble.
5.00 (8.10 er. Soil Out.
2: DEATH ON THE SOIL OUT.
Son. Z.00. S.00 THE SOIL (A) War and
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FILM RENALDO AND CLARA CAN
WITH Bob Dylan and Joan Sex; in 4track Sterce. Pross. 2.50 and 7.30; daily.
15th WEEK. Sth WEEK TORS 4. St and 7.30 dally.

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LAST 3. DAYS. FIRANHA (2) 2.10.

2. LAST 3. DAYS. FIRANHA (2) 2.10.

3. 4. 0. 6.15.

J. LAST 3. DAYS. FIRANHA (2) 2.10.

J. LAST 3. DAYS. FIRANHA (2) 2.10.

J. LAST 3. DAYS. F. Genevieve. Build.

Michael Douglas. CCMAA. (AAA. Props. 1.45.

4.45. 7.45. CURZON. Curzon Street, W.1. 499 3737.

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NOW LAUGH AT HERS

PARDON MOON AFFAIR TOO GAD

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620 and 640. Last 3 6472.

LEICESTER SQUARE IMPATHE (SXO 52527.

THE THETY NIME STEPS (A) Sep. 198.

1.30. 5.00. 6-10. Sun. 2.30.

7.45, Sithle 3-10 prog. and neckepts.

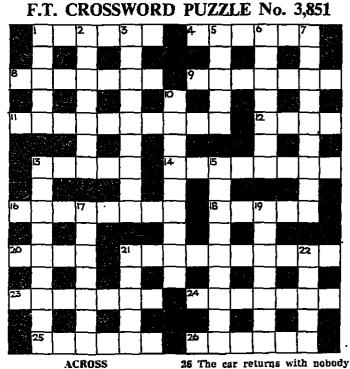
MIONINGHT EXPRESS CO. Sec. 1981 (197.

2.30. 5.30. 8.30 pn. All 2618 (1978.

ODZON, Lorester Square, 1992 6111.) POECN. Marble Arch. W.2. (723 2011-2). FORCE 10 FROM NAVARONE (A) Sec. ogs. Div., doors open 1-30, 4.50, 7.45. PRINCE CHARLES, Lett. So. 437 STOT.
Waleylan Berowczyk's THE BEAST Traden N. Sep. perts Die fin. Sun-110 S.S. 2.35. Late show Ft. 'San St. 11.15. Seats Stote Lete's Barr

CLUBS

EVE, 186 Amount Street The 9972 A. M. Carte of Allein Mona. Three Specialists Ploor Shows 10.45 12.45 and 1.45 and music of Johnsy Physics and 1.45 and music of Johnsy Physics and Physics.



with the Principality (7)

surroundings (5)

14 Remedial punishment for a 16 Parting word from remote Surrey town (S) 18 River for one in the midst 13 Illicit stakes in Lancashire

burlesque (4) 21 "The - Soul to Solitude

24 A single objective is enough to win the match (3, 4) 25 Note from the landlord (6)

5.35 pm News on 2. 6.50 And Now The Good News...

8.10 Panorama. 9.00 Nine O'clock News. 9.25 International Show Jump-

of the gross sum handed over reached the stage of perfection.



ACROSS 1 A fellow with a crib is a

9 The animal to put one right 3 According to Byron, love cunin a blunder (7) Il Pavlova was always putting

her foot in it (6-1) 12 Class must get by in Lancs 13 The ox is in good French

round about (9)

17 In essence an additional court retires" (Omar) (10) 19 Not No., but number, pre-23 Sought provisions for Senior sumably (7) 21 You'll find me following the

22 America finds the time for custom (5) The solution of last Saturday's prize puzzle will be published

All Regional programmes BBC-1 except at the following Wales-1.45-2.00 pm Pili Pala.

4.10-5.00 Taith Y Gwr Doeth. 5.55-6.20 Wales Today. 6.50-7.20 Heddiw. 11.35 News and Weather for Wales. Scotland-5.55-6.20 pm Report-Weather for Scotland.

Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Round Six. 11.35 News and Weather for Northern Ireland. Nationwide (London and

England - 5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); East); Points West (Bristol); South Today (Southampton): Spotlight South West (Plymouth).

BBC 2

11.00 am Play School: 7.15 Mid-Evening News. 7.20 Chronicle: Award Archaeology 1978.

South - East) including Pigeonhole. 6.50 It Ain't Half Hot Mum. 7.20 Christmas Snowtime

stupid chap (6) 4 Chaff for the weight-watcher 1 Her temple was at Ephesus 8 An unusual piece associated 2 Points almost unnecessary in a housewife (7)

> woman (9) 5 Soldier in drink must be nimble (5) 6 Disgraceful trading makes this warden unpopular (7)

stitutes the whole of this for

7 Allusion concerning fence 10 An inconstant person, but a master of protective mimicry

of learning (5) resort (9)
20 Old Bob has the gear for 15 A coach of industry (9) exercise (5)

6.55 am Westher, 7.00 News, 7.05 Overture (S) Concert; Walton, Albinoni, Berlioz, Mozart, 8.00 News, 8.05 Morn-ing Concert (S) MacCunn, Hummel, Schubert, Holst, 9.00 News, 9.05 This with names of winners next Saturday.

Hence, so the argument ran, had much success in his country.

question of law.

special commissioners of the risk when the taxpayer applied

Inland Revenue was that the for his shares might legiti-

offer of the shares to the mately affect the commissioners

employees was to encourage findings. Possibly a different established employees to be-conclusion as to the purpose of

THE WEEK IN THE COURTS

BY JUSTINIAN

parent company. The aim was been reached by a differently "to achieve a better relation-constituted tribunal. The

ship with the employees so that borderline between a profit that

they would become and con- is an emolument from any em-

It was indisputable that the employees to be regarded as

advantage of being enabled to other than the promotion of

Whenever marketable securi

ties are offered to favoured indi-

viduals on terms more advan-

tageous than those on which

they are offered to the public,

the individual accepting the

special offer runs some risk that

The fact that there was some

ployment and one that is not

may in some cases be narrow.

a taxpayer must persuade the commissioners that his case falls

For Parliament has decreed that it is for them to decide ques-

tions of fact and not the courts

of law. Christmas will have to

become less of a pagan festival

for the gifts from employers to

Japan honours

British textiles

MR. TADAO KATO, the Japanese

Ambassador, paid a tribute to the quality of British textiles after completing a visit to the

West Yorkshire textile industry

at the week-end. He said the in-

wool textile manufacturers had

The high standards of British

textiles had made the Japanese

conscious of quality control, and

much of their success in recent years had been based on the

good labour relations.

industry

The moral of this tale is that

the side of non-taxability.

GRANADA

HTV 9.30 am Survival Special. 10.25 A
Sense of Theatre. 11.15 God Bless Us
Everyone. 11.40 Oscar. 11.55 Sweet
Sugar Doughnut. 12.30 pm Make It
Count. 1.20 Report Wast Headines.
1.25 Report Wales Headines. 2.00
Houseparty. 2.25 The Regions Report.
2.55 Monday Matines. 5.15 The Undersed Adventures of Captain Nemo. 5.20
Crossroads. 6.00 Report West. 6.22
Report Wales. 10.00 News followed by
Report Wast Headines. 10.35 Monday
Net Headines. 10.35 Monday

Sinatra.

HTV CYMRU/WALES — As HTV
General Service except: 1.20 pm Penswdau Newyddion Y Dydd. 2.00 Hamdden.
6.00 Y Dydd. 8.30 Yr Wythnos. 10.00
News followed by Report Wales Headlans. 9.50 am Something Different. 10.05
The Winslow Bay starring Robert
Donat. 12.30 pm George Hamilton IV.
1.20 ATV Newsdest. 2.25 The Christmas Tree starring William Holden. 5.15
In Search OI . . . Michael Rockeleller.
5,00 ATV Today. 10.30 Lelt, Richt and
Centre with Dick Taverne. 11.00 The
New Avengers.

HTV WEST—As HTV General Services except; 1.20 pm Report West Head-lines. 6.22 Report V/est.

Week's Composar: Chaikovsky (S).
10.00 Holiday Special (S) Atareh's
Music Box. 10.20 Talking About Music
(S). 10.50 The People's Oratoric
Handel's Messiah. 11.20 Midday Concert (S) (part. 1): Mozart, Honegger.
12.00 Talk. 12.10 pm Midday Concert
(S) (part. 2): Prokofiev. 1.00 News. 1.05
BBC Lunchtime Concert (S): Chopin.
Liszt. 2.00 Music for Organ (S) by
Buztehude. Bach, de Grigny, Dagun.
Wesley. Stanford, 2.45 Matures Musicals
(S). 3.45 New Records (S) of music
by Delibes, Rubinstein, Vissov. Chopin.
151a. 5.15 Bandstand (S). 5.45 Homeward Bound (S). 6.30 News. 6.35
Concert (S)' Copland, Delius, Mendelssohn. 7.30 EBU Concert from Paris (S)
(part 1), 8.25 The Sonnets of Petrarch:
Reading in English and Italian. 8.45
EBU Concert (S) (part 2), 9.55 A Happy
Family. 10.15 Plainsong and the Rise of
European Music (S): Palestrine, 19.15
Jezz in Britain (S). 11.45 News. 11.5011.55 Tonight's Schubert Song (S).

RADIO 4

CADIU 4

6.00 am News Briefing 6.10 Farming Wock. 6.25 Shipping Forecast. 6.30 Today including 6.45 Prayer for the Day: 7.00 and 8.00 Today's Headfines. 7.45 Thought for the Day. 8 35 The Week on 4, 8.45 James Cameron and the BBC Sound Archives. 9.00 News. 9.05 Start the Veck with Richard Baker. 10,00 News. 10.05 Wildsle. 10.30 Dally Service. 10.45 Morning Story. 11.00 Our Care and Delight: The History of Christinal Eve. 11.46 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Top of the Form. 12.55 Weather. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping lorecest. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Afternoon Theetre (S): "When

16.00 Scotland Today, 16.25 Crimedask, 6.30 Wait Till Your Father Gets Home, 7.00 Emmerdale Farm. 9.00 Rafferty, 10.00 News and Scottish News. 10.30 The Datectives: Colombo. **SOUTHERN**

5.00 Lookaround Monday, 5.20 Cartoon
Time, 7.00 Mr. and Mrs. 9.00 Family,
10.30 Pro-Celebrity Snooker, 11.15
Barnaby Jones, 12.10 am Border News
and Weather.

CHANNEL

1.18 pm Channel News, 2.25 The
Monday Matines: The Quiller Memorandum," 5.15 University Challenge,
6.00 Channel News, 5.10 The Beachcombers, 7.00 Botanic Man, 9.00 Richler
Brockleman, 10.32 Darts 1978, 11.00
12.30 am Space 1999, 10.25 A Sense of
Theatre, 11.15 God Bless Us Everyone,
11.40 Oscar, 11.55 The Sweet Sugar
Doughnut, 12.30 pm Make it Count,
1.20 Southern News, 2.00 Houseparty,
2.25 The Christmas Tree, 5.15 The
Undersea Adventures of Captain Nemo,
5.20 Crossroads, 6.00 Day by Day, 7.00
Emmerdalo Farm, 10.30 Southern News
Extra, 70.35 Face to Face, 11.05 The
New York Progress,
12.00 Farm Progress,
12.30 am Weather followed by The
Holly and the lvy:
Gazette.

ULSTER

10.15 am The Herbs. 10.25 A Sense of Theatre. 11.15 God Bless Us Everyone. 11.40 Oscar. 11.95 The Sweet Sugar Doughnut. 12.30 pm Meke It Count. 1.20 Lunchume. 2.00 See You Monday. 2.25 Regions Report. 2.55 "Disappearance of Flight 412." 4,18 Ulster News Headlines. 15.15 Cartoon. 5.20 Crossroads. 6.00 Reports. 6.35 Laverne and Shirley. 10.30 Monday Night. 10.40 Me and Mr. Thorne. 11.35 Bedtime. WESTWARD

WESTWARD

9.35 am Friends of Man. 10.00 The
Roll Harris Show. 10.25 A Sense of
Theatre, 11.15 God Bless Us Everyone.
11.40 Oscar. 11.55 The Sweet Sugar
Doughput. 12.27 pm Gus Honeybun's
Birthdays. 12.30 Farmhouse Kitchen.
1.20 Westward Nows Headlines. 2.25
The Quiller Momorandum. 5.15 University Challenge. 6.00 Westward Darty
and Sports. 7.00 Botonic Man. 9.00
Richie Brockelman. 10.28 Westward Late
News. 10.30 1978 Westward Darty Final.
111.00 Suspense Film: The Red House
starring Edward G. Robinson. 12.45 am
Faith for Life.

YORKSHIRE 9.30 am Friends of Man. 10.00 Tree
Top Tales. 10.15 The Nature of Things.
11.10 Clua Club. 11.35 Tell Me Why.
12.30 pm Farming Outlook. 1.20 Calendar
News. 2.25 "The Wild Heart." 3.50
Heart to Heart. 5.15 University Challenge. 6.00 Calendar (Embry Moor and
Belmont cditions). 7.00 Emmerdale
Farm. 9.00 Twist in the Tale. 10.30
Pro-Celebrity Snooker. 11.15 Moira's
Scottish Song Book. 12.15 am The
Propertors.

the Snow Lay Round About "by Jomes Forsyth, 4.35 Story Time: "The Thirry-Nine Steps "by John Buchen, 5.00 PM. 5.50 Shipping forecast, 5.55 Weather, 6.00 The Six O'Clock News, 6.30 Dr. Finlay's Casebook, 7.0 News, 7.05 The Archors, 7.20 From Our Own Correspondent, 7.45 The Monday Play (S) "Stevic" by Hugh Whitmore, 9.00 David and Goliath (S), 9.30 Kaleidoscope, 10.00 The World Tonight, 10.30 The Sacred Grove (S), 11.00 A Book at Bedtime: "The Enchanted Placos." 11.15 Three Charades for Christinas, 11.30 The Untorpettables, 12.00 am News and Weather, 12.15 Shipping forecast.

BBC Radio London 5.00 em As Redio 2, 6.30 Rush Hour.

9.00 London Live, 12,03 pm Call in, 2,03
206 Showcase, 4,03 Home Run, 6,10
Look, Stop, Listen, 7,30 Black
Londoners, 8,30 Brookhrough, 10,03
Late Night London, 12,00 As Radio 2,
12,05 Question Time from the House of Commons, From 1,05; As Radio 2,

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and Tomor 8 HAS WASHINGON LEGS?
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ENGRAPHICAL CONTRACTOR OF THE PARK OF

" State Leaven

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Die Fledermaus

by MAX LOPPERT

In most, if not all, of the essential matters, the Royal Opera has got Die Fledermous wrong Friday's performance, first of the current festive season revival was not without its passing pleasures indeed, as a treat-for-the-whole-family. for which purpose the whole multinational multillingual enterprise was presumably reamed up in the first place, it slips down without strain. (And so, at those seat prices, it ought to!) But in place of an operetta known and loved as one of the key works of the genre, the evening affords an only mildly diverting entertainment, often rather square-toed and heavy in gait. That can't be right, surely.

It is in the second act, most of all, that the gait seems heaviest. Without issuing an encyclical on the absolute virtues of purism in Johann Strauss, it may nevertheless be both practical and pertinent to stress that it is at this point in the operetts that the version devised by Gerhard Bronner, producer Leopold Lindtberg, and conductor Zubin Mehta departs most significantly from the original. If ever the importance-no. let me put it more strongly, the cardinal necessity, of having Orlofsky played by a mezzo-soprano en travesti needed demonstration, this production provides it, by default. For the moment the genial middle-aged figure of Robert Tear appears—and despite (or perhaps because of) all his isible effort in making a go of

certain moral tone, that is summed up in the princeling of high style and ambiguous gender ebbs away.
This is the most pernicious This is the most pernicious Eagling come on to give us alteration of the evening. Not Ashton's exquisite choreography that the others are not serious, and they include the assignment of a baritone to Eisenstein's part (damaging in terms of vocal colour), the additions and subtractions practised on the various numbers, and the invention of new polyglot dialogue,

the part—the atmosphere of galety and pleasure, of an un-



Ryszard Karczykowski and Barbara Daniels

wretched misappropriation of a line of noble dialogue from Fidelio has now passed into the (Falke is hard pressed to explain away her nationality), mouth of Alfred.) The sum makes ner Covent Garden debut of all these parts, in Julia as a Rosalinde of high spirits, Trevelyan Oman's impeccably researched but undramatic scenery is a ball that is as casy address, and confident personality. She attacks the spoken parts of her role more vigormuch fun as a civic function ously than her predecessor, Kiri in Huddersfield Town Hall. When Merle Park and the Kanawa, but lacks her gorgeous, free-ranging tonethe voice is of serviceable quality, though in the Csardas unfortunately garbed Wayne to the Voices of Spring Waltz, which replaces the full-length ballet that ought to be an integral part of Act 2: there is a sudden dazzling and painful reminder of what entertainment

the top notes tended to spread. Otherwise, the rewards of the evening are chiefly to be gained in watching old hands charming us into a temporarily heightened state of wakefulness-Hermann Prey an Eisenstein ebullient to just the right degree of overbearing selfmore often than not limp and only in its leading lady Barbara regard. Hildegard Heichele an this production against predictable in its humour. (That Daniels, a small, attractively authentically plucky, vivacious the charge could be laid.

snub-nosed American soprano Adele (in voice a little less true for "Mein Herr Marquis" than last time round), and the won-derfully wry and pickled Frosch, body angled at a permanent 45 degrees, of Josef Meinrad, the one notable success of the production. Benjamin Luxon opens " Brüderlein with eloquent smoothness; it is not his fault that Falke as a dramatic role hàs all but disappeared. Zubin Mehta draws light, buoyant playing from the orchestra. Yet somehow, in matters of timing, timbre, and dramatic accent, in the art of knowing when to hold the pulse back and when to urge it forward, the true spirit of the work continues to evade him. He is not the only architect of this production against whom

Paris: Palais des Congres

The Kirov Giselle

by CLEMENT CRISP

in see-through tulle) because of

Edited and amended across

to provide the blossom for the

This apart, the presentation,

even in matter of decoration,

makes nonsense of Western

stagings with their dainty fuss

and flustered Romanticism. and

their busy and predictable inter-

is set in a broad expanse of

countryside as seen by a Ger-

man genre painter of the 1940s.

Act 2 is perfect, a midnight

black forest lit by a fairt red

alow remaining from the cetting

ploud-torn sky who unfailing

delights of old-fachioned stage

machiner cause Mertha to rice

rampire-like from her grave,

ard allow a wili to whisk

through the night air and show

us Giselle poised high among

the moon alimaced through

pretations. The Kirov's Act 1

flower test.)

Looking at the Kirov Ballet gramme was uncommunicative fter far too long an absence, about the dancers-no credit at all for the peasant pas de deux
—and it announced simply that found the Leningrad company as grand and satisfying as ever, its glories all the more appar-ent because of the indifferentthe Giselle staging had been renewed under the supervision of "I Slonimski," hom I state of classical dancing elsewhere in the world. There were assume to be the late Yury rumours that the Kirov had fal-len on dark days, that the glory —with certain distinguished Slonimsky, Russia's most distinguished dance historian. It is a version satisfying beyond all artists-had departed. Not so. others despite some quaint cos-The four performances Ihave tuming in Act 1 (the Duke of just seen during the company's Paris season (which lasts until Courland is Dandini; Giselle is January 2) revealed a troupe still supreme as a classical enits appreciation of the Romantic ethos, and because Giscile semble. It is not as strong as the has been regularly performed in Russia since 1842, the year company which came to London twice during the 1960s. Its male after its Paris creation. calibre of Semenyov, Sokolov, or the late and ever-lamented Yury Solovyov. The Palais des Congres stage is not the right set-ting, albeit preferable to the Festival Hall's shelf. But it is

the Kirov still, and marvellous. Nowhere in the world is there corps de ballet so harmonious in style and feeling for dance and music; not regimented, but united in expression and in understanding. In Giselle, which featured on my first two visits. the second act had three ballerinas: the Giselle, the Myrtha, and as I have noted before, the corps which is a single Protean assoluta. Not since that first revelatory Bayadere in London in 1961 have I witnessed so poetic and exciting a use of an ensemble of 32 danseuses as the present Wilis, who seem to feel and dance as one. Uniform in sensibility as in height, they are

a miracle. The stage at the Palais des Congre is large, and on it the Kirov Giselle looks superior to any other current staging. An oddity of the season is that the music for both the programmes I saw (the third brines Roland Petit's Notre Dame de Paris) has been recorded by the Kirov's orchestra under Viktor Fedotov, Played as only Russian orchestras know, an accommaniment that is dramatically powerful and emotionally ant. shaped with love for both music and ballet, it is an achievement in itself despite certain discrepancies in tempi that individual dancers might prefer.

We are attending the Government inquiry into the burning

rebuild. The inquiry has been

called by the Home Secretary,

a roughneck whose principle is We did not pick the system.

but we've got to make the best of it," and who sees nothing in-

consistent with his advocating

social equality but living to

plutocratic standards. Its members are Jardine, an ex-

perienced senior civil servant

concerned only with doing his work conscientiously enough to

ensure his KBE on retirement;

Matheson, a female civil servant

likely to derelop on the same

lines; and Ponting, a new boy

who, after his first taste of

grilling a witness is so empelled by his unexpected delight in

oppression that he quits the

scene to live as a tramp on the

The cause of the fire is easily

The prison appears to have

been seething with discontent as a result of the humane

notions introduced by the new governor, Colonel Cooper, who tells his prison officers. "Give

them their dignity." But the fire hasn't been started by any of the prison staff, nor by Turk,

nrisoner who has actually started a fire of his own so that

he may be regarded as a bero

in the legends of prison life

discovered by two competent

fire inspectors. What is then required is to ascertain who

caused it and why.

moors.

where more must happen. tual dancers might prefer.

Most marical of all is the mand of the dance, an essential sun-burst of bravur.

The expensive (20 franc) pro
Kirov dance style. This is the distinction of technique, music- and youthful beauty.

dancing the classics of the 19th century. Leningrad training possibilities of the dause d'école. opened it out and given it wings, and yet retained its essential pobility and decorum of proportion. In Act 1 eight girls dance a brief pas; in their corporate elegance we see how surely each feels and appreciates the reasoning that lies behind the laws and attitudes of the classic dance. In the performance of Irina Kolpakova, the Giselle of last Sunday's matinée, we witnessed the academic dance at its purest. Kolpakova danced an Arrora in London in 1961 which remains the finest ex-

mnle of classical dancing that

the years by Perrot, Petipa and ever expect to see. By the Konstantin Serguevev, it has אייכי vegiant harmony of the wisdom and grand simplicity her style, by her ease and aristothat comes with such imped of means, the language of cable lineage. The story is told hallet was shown as the most directly, cogently. The characterisations live within the conhospiful activity of which the human frame is capable. text of an over-all emotional denoing can ever attain formel understanding of the work, not po-footion, it was most nearly in spite of the staging as so often in Western productions, so with Kolpakova's Aurora. Seventeen years later, and at a and they are consistent with its time when unchivalrously I general tone. (There is only must observe that many halone odd lapse : a large earthenlorings find their laurels fading. ware vase of flowers stands Folnakova is still a peerless determinedly on a white drapery outside Giselle's cottone

ringgion) artist.

Her Giselle has acquired more oathos than when we last saw it in London: its innocence and impalpable flights remain as poetically touching as ever. Her Albrecht was Sergey Berezhnoy. a performer of finesse and some Romantic fervour. He. like Nikolay Ostaltsov, the Hilarion, knows how to give weight and a broad fluidity to gesture: it is a minor revelation to see mime played with such expansive dignity, commanding both the largeness of the stage and our sympathies.

The other Giselle was Galina presented in Paris as the company's second star. She is a tall dancer, blessed with the Kirov's taut, vibrant line, seeming at first rather bland in manillusion of this Rhineland forest, head-she has a slightly short neck-but her physical com-

true, the only and ideal way of ality and long, legato phrasing make her a continuing pleasure dicated reserves of emotion, and in moments of supreme delicacy — feet sketching the memory of earlier, happier steps as madness seized her—she was most pathetic. As the Wili, her dancing was effortless, serene. Though I suspect that she is not a natural Giselle, hers was an interpretation of unquestioned merit. Her Albrecht was Konstantin Zaklinsky, only four years out of the Kirov school, and still immature. Tall, handsome, he is a sound partner, but at present his reading is testimony to excellent coaching ing. Gabriella Komleva and Lyubov Kunakova were the two Myrthus, dancing grandly.

And the corps de ballet was flawless. To see 32 girls moving with such lightness and freedom, pure in style and united by training and temperament was to understand why the Kirov is the repository of the classic dance. (It was also intriguing to note that, mutatis mutandis. the approach to dencing with the Kirov and with New York City Ballett, where Balanchine has transplanted and transmuted Petersburg-Leningrad academism, has a fundamental aesthetic accord.)

Part of the Kirov's secret is that the entire company seems inspired by a common image of what they are dancing and how they dance it. There is no indecision; there are no apologetic arms, no reluctance to give a step its fullest dynamic value. The same artistry inspires both principals and corps because it is part of the very fabric of their training. The presenta-tion of Giselle was magnificent because of this. Its tone was consistent, poetic, no matter what small incidentals might be improved, and the ballet become not a dutiful re-creation of the past, but a living expression of the genius of a company.

I shall hope to report soon the tree branches. Even follow- ner. I was bothered by a lack on the second Kirov programme. snots cannot destroy the potent of ease in the carriage of her a triple bill which brought Olea Chenchikova to light up the Paris sky in Paquita with a

SPORT

RUGBY UNION BY PETER ROBBINS

All Blacks put emphasis on attack

Barbarians 18—16.

a game in the nick of time, but Hades and Oliver. New Zealand chances, the more significant rescue was improved their scrummage to do so. of rugby itself after the acrimony of the match against Bridgend.

cleanly and with the emphasis kick tactically. on attack rather than defence. New Zealand team's success stems from team work and choice of Loveridge and Dunn defensive work than normal. tenacity. The absence of stars

game to a great technical consistency.
Their defence was well organised, with good alignment

and flerce tackling Osborne, Robertson and

FOOTBALL BY TREVOR BAILEY

not get an international place Yet again the tourists rescued behind those two hard men. when Knight returned from ill-

on the highest level can be.

The cast is last years, altered

of Mr. Sanson.

achieved their aim of making ignored Slemen. Renwick too ing the The game demonstrated that friends but, after their defeat lost the ball over the line in retired. The possible for top-level by Munster, they almost retire second half.

Purely matches to be visual advanced by Munster. matches to be played vigorously, verted to type using Bruce to in the counter-attack. Bennet

n attack rather than defence. It was quite different on strate their great artistry. What The match showed that the Saturday when the tourists a loss Bennett is to Woles. It less Zealand team's success dropped their guard and the was interesting the he did more gave the side attacking poten-

> freedom of expression from the which transcend the normal · plavers.

Wilson and Williams intelli reflect upon how the roles of Osborne, Robertson and gently by bringing them in to almost every player have Taylor closed up any central the midfield. Wilson and Os- changed over the years, especiattack and produced plenty of borne have been the outstand- ally full-back ball for Mourie or Rutledge, ing three-quarters in what one ... The one role that has changed

A LAST-MINUTE drop goal by The first choice No. 8, Seear, former All Black winger per-little is that of scrum-half, for down of Middenhurst Prison, Dunn their fly-half gave the has not played at his best. It haps rather unkindly, called a it is still the fulcrum of all the estimated to cost £300m to bunch of good tradesmen

Saturday's occasion was fully remembered as a great set of wick had intercepted in the first worthy of the tradition of these men, and that is just as import half. A score then would have

... and Irvine were able to demon-Flankers can channel the has been an advantage for, tial New Zealand looked under straight runner, but it is the under Graham Mourie, the Ali prepared to take some short finker that causes problems.

Blacks have again refined their penalties.

Both Bennet and Irvine have the It was a change to see greater gifts of pace and evasiveness,

level of player. New Zealand used their wings Looking at Irvine made one

movement Brynmor Williams Saturday's match proved that was much too individualistic on in rugby, you must take your Saturday and seemed to have chances. The Barbarians failed difficulty positioning himself to get the ball away.

Hutchings, the centre, messed He was under pressure and up two scoring chances by ig-These All Blacks will be noring Elgin Rees after Ren-Skrela must have been difficult. Thank goodness for those two Frenchmen in the loose where matches and no one can carp ant as being remembered for been a tremendous fillip, but in there tackling was as definite at the result or the refereeing being good players. They have the second half, Hutchings next as ever. France must be mourning the fact that Skrela has

Purely from an England view Slemen had the charce to show a Welsh crowd his skill in foot The other unity Flui-Rees, was a ball of fire and remains one of the actional mysteries why he did not play for Wales against New Zooland

There were some splendid performances, Saturday's game encoosulated all that rueby should be. A meeting of fit mirds and bodies in pursuit of victory which, if gained, would be acceptable. It lost, not the end of the world. In either case, Saturday's game must have produced or confirmed some lasting friendWarehouse

The Hang of the Gaol

by B. A. YOUNG



Christopher Benjamin and Nigel Terry

often tempted into irrelevances

that take his farcy, and is more

Queen's Park Rangers lift the gloom

QUEEN'S PAR RANGERS have the performance of their young, interesting to reflect that Terry with their victory over Man- bought from Linfield, who came match at Loftus Road. This result, against more talented opposition, was a real tonic for instinct for being in the right tunate to have Hollins as their league match since early October, were too close to the bottom of the table for comfort man replaced the former Engand whose home gates had land captain, Gerry Francis, still

Judging by this performance, they should have no difficulty in avoiding that dreaded fall as they not only look a far better team than they were at the back end of last season, when they are also several clubs around,

finish up near the middle of the table, which means that their only remaining hope for glory is in the FA Cup. Yet there must be doubts as to away in the third round should colleagues, although

first was a brillinatly-taken mature 30. volley, and he showed he had the the club, who had not won a place at the right time by pop- captain. He runs further and ping up at the far post to nod home the second. The Irishslumped alarmingly, with only struggling to regain his true 12,000 turning up to see them on form after a series of injuries struggling to regain his true and who looked uncomfortable as part of double spearhead

with the lively and impressive

Eastoe. that both teams employed high- have now gone eight successive calibre players, who have made league matches without a win avoided relegation by the their names as attacking half-narrowest of margins, but there back — Francis and Deyna back — Francis and Deyna from the League Cup, but still from Poland — upfront. This managed to knock AC Milan out who are not up to Second is rather like giving the new of the UEFA with style. At Division standard, let alone ball to a spinner, or batting fielr best they are capable of First Division.

Boycott at No. 4. It seldom beating anybody. pays to play an established per-The Rangers will probably former out of position and though Deyna did manage to produce two fine shots before the interval, he was also even-

tually substituted. In his recent book, the ABC whether they possess sufficient of Soccer Sense. Tommy character to fight their way Docherty stressed the import-through to Wembley. Their ance of a good club captain adventurous football, they also Their draw against Fulham who has the respect of his perpetrated too many mistakes. many provide an interesting test. managers are inclined to be

very reason to be well satisfied tall and lanky striker Hamilton. Venables at 20 lasted only two years as skipper with Chelsea, chester City by two goals to on after the interval as substi-rather longer one suspects, one in a thoroughly interesting tute and scored both goals. His than he would have done at a

OPR are both wise and for-

works harder than anyone, never gives less than his best. There are, perhaps, six league clubs with as many class foot-ballers on their staff as Manchester City. Several of these players, currently languishing in the reserves, would have no problem commanding a regular first team place in most other The match was unusual in sides. Nevertheless, the City

Their manager has the players. Wiy are they not obtaining the results? Some of the reasons were to be seen against the Rangers, a game they should have won, but ended just about deserving to lose. Although they provided several

perpetrated too many mistakes. Some of the errors appeared though their welcome accent Not the least satisfactory suspicious of a skipper with a to stem from over-ambitious on attack is why they are infeature for the Londoners was very strong personality. It is first-time passes, while there variably worth watching.

were also moments of casual arrogance which few sides, and certainly not Manchester can afford. The City reminded me of a colourful and exciting tiesaw which Tony Book has still to slot into the right places.

Nearly all the important ingredients are there, an outstanding goalkeeper, a powerful rearguard containing Dave Watson, a centre-back of international class, five outstanding midfield players on call who are fast, skilful and hard.

All the halves were goalconscious and, if Parkes had not been in exceptional form and some of their shooting fractionally off target, they could well have won, as they created sufficient opportunities. The lack of blend and flow

was most noticeable upfront. Whatever trio selected from Futcher, Channon, Kidd, Deyna and Barnes — the last a rov ing winger able to destroy opposition with his dribbling skill, but on other occasions frustrating his own colleagues by running into trouble — has not acquired the necessary harmony. This is underlined by a lack of goals from their forwards. Possibly it might pay the City if one of their halfbacks busied himself preventing, rather than scoring, goals,

everywhere. In fact. Colorel Cooper has started it himself: and why he should have done so, and what the conserve are, is the the theme of Howard Barber's fascinating play.

The interesting thing is that. epert from Cooper's lapse, everyone acts in accordance with decent principles. Cooper really thinks that a prison can be run with "the beauty of

good government." The prison his points, and though he is too is shown in perfect detail, every officers, Udy and Whip, are not against good government, but they know that when there is amused than I am by the funca riot it is they that get the tions of defecation and micturislashing, not the governor, tion, he puts his points as Turk, who has an interesting speech comparing prison dis-Gillray.
cipline with old-fashioned Bill Alexander directs a imperial government, is after all only being Kenyatta or duction that is graced with some Gendhi. Mr. Barker draws his outstandingly good playing. figures in bold, simple lines Fulton Mackay's Jardine, a

persuasively as Hogarth or characteristic Warehouse pro-

with no more exaggeration, and midle-used man resentful of the no less, than is needed to make quenching of his early ardours, indeed all the company.

gesture of glance up or down, every stroking of the chin incontrovertibly apt. Edward Jewesbury plays Cooper with a touching blend of dignity and pathos; Nige! Terry has caught exactly Turk's deceitful simplicity concealing the fires of revolt. There are able performances too Christopher Benjamin, Gaye Brown, Nicholas le Prevost, and

Festival Hali

Christmas Oratorio

by NICHOLAS KENYON

One work or six? The against each other is over- versions of the two "Ehre sei question inevitably recurs when the six cantatas which Bach called the Christmas Oratorio are performed on one evening. True, the work is a cycle: all its features of orchestration, and the use of chorale melodies are planned to give optimum variety and cogency to the sequence of six parts. But they to be done with the liveliness articulation. were designed for performance and zip which John Eliot With so much furious activity, on separate days through a fort- Gardiner brought to Friday the quieter sections of the work

tions" of works? Six cantatas solo "Grosser Herr." Some-in a fortnight is plenty, so too times there was too much haste is one Brandenburg a day, and as well as speed (in the "Herr perhaps one Goldberg Variation dein Mitleid" duet), but an hour (until, like Count rhythms were generally firm, Kavserlingk, you drop off). and the insubstantial though But if the Christmas Oratorio exceptionally unanimous voices is to be performed complete, of the Festival Chorus captured then one could wish it always every detail of Gardiner's crisp

whelming. Surely Bach here dir" choruses, or such a light-gave us a clue about his "collectooted and unpompous bass

Gardiner tended to treat the chorales as moments of repose instead of bold climaxes. Brian Burrows was a sturdy, authoritative narrator, and Richard Jackson a bass of chamber-music timore and subtlety. The orchestra sparkled under Gardiner's unrelenting drive, and there was (for once) impeccable horn and trumnet playing. Alistair Ross, Trevor Pinnock and Marilyn Sansom were the alert continuo players, though the night (on December 25, 26, 27, evening's account with the tended to suffer. The full, Goble harpsichord boldly illus-January 1, the Sunday after Choir and Orchestra of the rounded but too overtly operatic trated in the programme was New Year, and January 6), and English Bach Festival. I cannot voices of Miriam Bowen and (fortunately) nowhere to be their impact when pushed up recall such racy and exciting Della Jones did not penetrate seen or heard on the platform.

the full serenity of their arias;

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Monday December 18 1978

The world as a whole

the U.S. is bound to have rever-

berations around the world. In particular, they will be felt in Moscow where the Soviet leadership is believed to be on

the brink of signing a second

strategic arms limitation agree-

ment with the Americans. They will also be felt in Indochina

where a bitter war is still going

on with the Chinese and the

Russians in many ways acting as proxies. Indeed tensions are

likely to increase in any part

of the world where Peking and

Moscow confront each other.

Russians believe, rightly or wrongly, that they are being hemmed in. The Chinese are breaking out. That is hardly a

There is thus a special responsibility on the U.S. In

the strict sense of the word, the

U.S. is the world's only super-power. The Soviet Union may have achieved strategic parity,

but is way behind economically

to play a larger role in the world. It should be encouraged

to do so, but it is not a super-

power at all and it would be

dangerous if it came to enter-

tain delusions of grandeur. Both economically and politically

there have been signs recently

that it has been taking on too

The principal task of U.S.

foreign policy must be to

maintain a global balance of.

power. The establishment of proper relations with China

could contribute to that end,

but not if it is seen as an

anti-Soviet alliance—as the

they are doing with China.

Equally, the Chinese need to be

told not to let their own

relations with the Russians get completely out of hand. A

Sino-Soviet confrontation would

benefit no-one, not even the West. It is a difficult world in

which to maintain stability, but

the latest developments are at

difference between

to temper these ambitions.

Strategic

and in most areas of technology China is a great power which is now understandably seeking

recipe for stability.

however

indirectly.

ALL THIS year China has been development of past diplomacy. moving outwards. Chinese the establishment of full diplo-leaders have visited Yugoslavia matic ties between China and and Romania-in Soviet eyes the dissident states of Eastern Europe-as well as South East There have also been high level visits to the West and there is talk of more to come. At no stage have the contacts been purely political: as often as not what the Chinese have been seeking, especially in the West, has been commercial and technological know-how.

Reverberations

In that sense, it is not surprising that Peking should have wished to accelerate the nor-malisation of its relations with Washington. If it is access to technology that the Chinese want, the United States after all is as good a place to go as any, not least in the key fields of agriculture, mining and energy. It is also true that the leadership had already come to terms with the other advanced industrial democracies. The signing of the treaty with Japan earlier this year was the final evidence of that. It would indeed have been abnormal if Sino-U.S. relations had remained on a lower level than those between China and other Western countries.

It should not be forgotten either that although the announcement of the Sino-American agreement may have much, too fast. U.S. diplomacy would be wise if it could seek seemed to come out of the blue, there had in fact been a steady diplomatic build-up over a period of years. The break-through came in 1972 when President Nixon visited China. The joint communique then left open a number of questions— particularly that of the future of Taiwan—out it left no doubt of the mutual desire between Washington and Peking to put their relations on a normal

question of Taiwan is perhaps insoluble in the tion—which is to be welcomed short-term. At the same time, and rapprochement — which however, there is nothing in the could be misunderstood. It is behaviour of the Chinese leader- necessary now for ship to suggest that Taiwan will Americans to continue their be taken by force. Nor would negotiations with the Russians it be in the Chinese interest and to explain to them what to attempt any such thing. All the signs are that China is looking outwards to a wider world, and there is no obvious reason why it should not come to live with Taiwan in the way that it has come to live with Hong Kong. Those relations, too, can be normalised over time.

Yet, however foreseeable and least a reminder of the necessity however much it can be to think—in strategic terms—explained as merely a logical of the world as a whole. Yet, however foreseeable and

TO RESIDENT CARTER may have surprised the world on Friday night when he announced that full diplomatic relations with the People's Republic of China would be opened on January 1, but his decision was entirely logical. It was consistent with everything his two predecessors in the White House had pushed for since 1972 and with the signals the President had been getting from Peking's new and outward looking leadership for much of this year. The Chinese ultimately made an offer that Mr. Carter felt he could not, in good conscience, refuse. Mr. Carter has taken a step which is not without dangers.

but one on which he clearly felt the plusses outweighed the minuses. The latter are obvious: the domestic right wing is already up in vocal arms and could make trouble in Congress next year; the Soviet Union is certain to be offended, though perhaps not to the point of up-setting the long crafted and soon-to-be-concluded Strategic Arms Limitation agreement; the ditching of Taiwan, even with the assurances that Pek-ing has clearly given, may rais? questions among other tradi-tional American allies (Israel, for example) about President Carter's constancy,

Potential pitfalls

But he must also have come answers to these potential problems which, combined with the geo-political benefits likely to accrue from normalisation, made the historic initiative imperative. Mr. Carter is now quite secure in his presidency and a solid favourite for re-election in 1980. The disparate interests which often oppose him have shown little ability to coalesce into an overwhelming countervailing force and probably could not do so over China. In any case, the business community, which underpins the Republican Party. is more likely to be enthused over the opportunities provided by closer ties with a China now hungry for Western technology

THE SINO-U.S. communique on Friday was the culmination of a period of increasingly active global diplomacy by China directed towards much closer relations with the West and against the USSR. This began about a year ago with high-level trade and economic missions and was swiftly followed by foreign tours by the Chinese Foreign Minister Huang Hua, taking in not just Europe and the Middle East but trouble spots like Zaire, and in the summer, by Chairman Hua Kuofeng's trip to Romania and Yugoslavia. Foreign Minister Huang paid a four-day visit to Britain in October. Chairman Hua has been invited to visit France, West Germany and Britain, and these visits may take

Chinese are tending to present tain, and these it. In other words, there is a place next year. An eight year \$20bn trade agreement was signed with Japan in the spring, and after years of stop-go negotiation a treaty of peace and friendship in October. This treaty represented a considerable triumph for Peking since it contained an agreement to oppose "hegemony" in the area, a clause which was widely understood to refer to the Soviet Union. In order to get the treaty signed, both sides agreed that the convalued for their proximity to offshore oil, should be shelved.



than dismayed by ideological considerations. Even the cold war philosophies of such labour leaders as Mr. George Meany, head of the U.S. equivalent to the British TUC, are likely to be tempered by the fact that a leading architect of the Sino-American rapprochement is Mr. Leonard Woodcock, chief of the U.S. mission in Peking, who was a brother union leader when head of the United Automobile Workers.

Administration

Equally.

officials seem to feel that the Soviet Union will be nothing if not realistic about normalisation, much as it may be disliked. Over the weekend there has been confident talk that a SALT agreement will be reached very soon and that Mr. Carter and President Brezhnev may even meet to cap it before Teng Hsiao-ping, the Chinese Deputy Premier. comes to Washington at the end of January. The U.S. clearly does not feel that China and the Soviet Union are about to go to war, but would not mind if the Russians were to feel compelled to divert some of their European forces protectively to the China border area. Had normalisation come carlier this year, when U.S.-Soviet relations were at a low point, then the adverse consequences might have been greater. But, it is felt here, that understanding with Moscow has improved considerably in

Mr. Carter bows to his two predecessors

recent months as it has become liaison chief in Washington that had been a number of public clear that President Brezhnev he was as interested in pursuing hints dropped by Deputy is as intent on reaching a SALT agreement as President Carter. Administration officials have also rigorously denied that the timing of the announcement of normalisation was in any way

1977 if he was elected Prestinfluenced by the need to distract from other pressing

BY JUREK MARTIN, IN WASHINGTON

Israel or the potential harm the U.S. economy could incur as a result of the OPEC price in-

Although Dr. Zbigniew National Brzezinski, the Security Adviser, earlier this year made much of the need to "play the China card" in re-lations with the Soviet Union. the Carter Administration has consistently — and generally quietly—been working towards normalisation of relations with China for much of the last 20 months regardless of Soviet considerations. As early as February last year, only a month after taking office, the President told the Chinese

in "exploratory" negotiations. However, when Dr. Brzezinski went to China last May, the basic decision to go ahead had been taken and Mr. Woodcock was authorised to begin substantive negotiations, with the stated goal of normalisation by January 1. The critical this year will proparty and three chinese response—in effect to about \$1bn, about three the U.S. that it times as much as in 1977, with

full diplomatic ties as his two Premier Teng in interims with predecessors (President Ford, it American journalists making is reported, is believed to have the same points. The last two promised Peking that he would weeks have been spent wrap-establish full relations early in ping up the final details. While not perhaps a principal underlying factor, trade poten-When Mr. Vance went to tial is clearly a significant incentive to improving the China

connection. In spite of a number of eye-catching recent deals involving U.S. companies (Fluor, Bethlehem, U.S. Steel, and Intercontinental Hotels), in spite of the negotiations of major U.S. oil companies over offshore Chinese oil exploration and in spite of the hard offers foreign policy problems, such as the deep differences that have emerged between the U.S. and he only wanted to engage land and Energy Secretary Chinese were disappointed that Agriculture Secretary Berghe only wanted to engage land and Energy Secretary in "exploratory" negotiations: Schlesinger, there was the suspi-However, when Dr. Brzeziński cion that the U.S. might be left behind by Japan and Europe in competing for Chinese business at a time when the U.S. trade deficit was a source of major international concern.

that it would not object if the But over the first half of this U.S. were to supply the year Japanese sales to China Nationalist Government with have been six times larger than "defensive" weaponry after the those from the U.S., with abrogation of the mutual common market volume four defence treaty at the end of next times as high. There remain: year—was received privately some inhibiting factors for the at this time not to effect with early this month. In fact there U.S. particularly on financing, his predecessors had wanted

These include pre-revolutionary Chinese debts, and disputes over assets frozen by both countries 30 years ago (Treasury Secretary Blumenthal is to go to Peking to seek to resolve these issues soon) and the

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limitations on export import bank financing imposed by the 1974 Trade Act denying the People's Republic most favoured nation trading status. Encouraging China to earn hard currency by selling more to the U.S. could also create difficulties since the most obvious Chinese products are low cost textile goods—the U.S. textile industry, as is well known, has suffered considerably from similar imported competition, mostly from other

Asian countries.

But again the potential plusses appear far to ontweigh the minuses. In certain areas, such as oil explosation. transportation, particularly aircraft, and construction, the U.S. seems to feel it still has unique services to offer, while opening up the Chinese market to diversified U.S. agricultural produce is certain to help the trade deficit

Key figures involved

In analysing the U.S. think-lng on China it is easy to see a number of hands at work: Dr. Brzezinski, for example clearly had a major rale to play as did Dr. Schlesinger (though it looks as though the latter will not be rewarded with the Peking Ambassadorship, probnot want to offend Moscow tor much by putting a known anti-Soviet hardliner in China Mr. Woodceck-who has worked diligently towards normalisation, is the likely choice). But it the end it was Mr. Carter's decision and, in that respect, he has dis played the innate fascination with China that seems to consume all Western leaders, Mr Nixon was unable to reach logical conclusion because of Watergate and Mr. Ford be tion would do to be election chances. But for Mr. Carterthere was no compelling reason

The culmination of a year of Chinese global diplomacy

BY COLINA MACDOUGALL, in London



and severance of State relations. The Taiwan question

The U.S. has always said that troversial issue of the owner-ship of the Senkaku Islands, taking by the Chinese that they

MEN AND MATTERS

Vice Premier Teng made it have been given but Peking may tion plans, this would not ex- prepare Chinese public opinion. quite clear to two U.S. journal- have offered private reassur- clude relations with the U.S., ists in November that Caina was ance. On the question of conprepared to allow Taiwan to tinuing arms sales by the U.S. has the world's richest technomaintain its own social and to Taiwan, Chairman Hua has logical resources and could said they cannot continue, therefore greatly help accelerunited with China after normali- though ordinary trade is to be ate Chinese development. sation. This is presumably the allowed. However, Chairman

meeting in Peking (Teng concan journalist) and the fact taking by the Chinese that they While Teng is reported to have the posters, many of which will would not try to take Taiwan by said that the meeting dealt have since been circulated

which, the Chinese fully realise,

However, the radical rump attitude which has enabled Hua also indicated that the ques- left in the Chinese leadership inspired, even if it sometimes President Carter to accept tion of Thiwan can be shelved and even the more cautious pro-The agreement with the U.S. some persuading that immedimay partially stem from the ate normalisation was worth do-recent high-level leadership ing without full U.S. capitulation on Taiwan. It was presumfirmed that it was taking place ably this division that at least in an interview with an Ameri- partially accounts for the outbreak of wall posters in the that this was not followed by Chinese capital in the second even the briefest official com- half of November. First, the munique. Normalisation was posters showed both officials at presumably discussed during the meeting and the world at the meeting and possible large that Teng commanded Chinese concessions on the strong support among the future of Taiwan thrashed out. people Second, the contents of the posters, many of which will

One poster compared the economic performance of China unfavourably with that of Taiwan and another made the same comparison with the U.S. Since the poster outbreak is thought to have been officially went out of bounds, this may have been intended to implant the thought that if Taiwan is reunited with China, Peking might do better to move closer to the economic and social perceives from Moscow, Peking



West Germany and Britain next

system of the island rather than "is also keen to build up trade; to try to bring it nearer to its Last year it indicated that it own. While other posters ask would leave the U.S. out of its ing for more human rights- trade expansion plans until particularly the one that appeals - normalisation; but this year that directly to President Carter—resolution began to crack with may have been embarrassing large purchases of U.S. grain-for the Peking Government, in recent weeks it has disintethey show an awareness of the grated further with huge deals U.S. at the grass roots in China for iron mining and other which is far from hostile. machinery similar to the orders Besides wooing the U.S. for Peking has placed elsewhere for

What the market the lump will bear

THE PRICE increase announced the OPEC producers have lost by OPEC at Abu Dhabi yester out in purchasing power day will take effect in four through the fall of real oil stages, but by October 1 next year will—if fully carried through—have raised crude oil prices 14.5 per cent above their existing levels. This is marginally more than most consumer nations had been expecting, and certainly larger than the U.S. Administration - which made known its disappointment yes-terday—had anticipated. But even before the crisis in Iran. demand for crude as reflected in spot prices had been tightening. The cutback in production U.S. inflation in Iran added to the pressure. For 1979 as a whole the increase in oil prices amounts to about 10 per cent. On present fore-casts this is about what the market will bear.

Price freeze

The lesson that OPEC has now painfully learned is that there is little point in attempting to raise prices beyond what demand will sustain. The price freeze of the last two years and the shaving of prices for marginal crudes were the result of raising prices to unrealistic levels. Though much of the debate at OPEC is often a political battle between the moderates (basically Saudi Arabia) and he hawks (Iraq, Iibya and Algeria), how the dice finally fall depends on the strength of the market.

In the last resort this out-weighs even niceties of econ-omic judgement on how much strengthen the dollar.

prices over the last two years or through the loss of revenue following the decline of the dollar. In going for a stage-by-stage increase, OPEC has given itself some leeway to back down if demand should slacken. But the stage-by-stage tactic could also point to a steady measured increase in prices in the iong-term if, as seems likely a growing shortage of crude materialises in the 1980s.

The OPEC nations have apparently put aside plans for denominating oil prices in a unit of account other than the dollar as too clumsy to operate. But the increase could further weaken the dollar through the impact it will have on the U.S. inflation rate and the size of the U.S. trade deficit. This will be the major source of concern as the increase takes effect. President Carter will un-doubtedly be under pressure in the U.S. to scrap his plans for decontrolling domestic oil prices as adding a further infiationary twist to the U.S. economy. Other industrialised nations will rightly be pressing him to stick to his plans as a means of reducing the heavy U.S. consumption of energy. They want the U.S. to cut back its dependence on oil imports both to diminish the power of

IBM joining

Festival Hall and the more stately tower of London Week-end Television.

Its client is IBM which tells me that DLRS are preparing a feasibility study for a centre for their regional marketing. At present the South Bank site in question is leased from the Greater London Council Associated Newspapers. It is one of several which IBM is considering but is the one on which the most detailed work has been done for an office which is designed to see IBM through the 1980s. The work could cost over £201.

IBM says that it still has to



"Just remember, Mr. Lynch, Saint aPtrick didn't drive the snake out of Ireland for

for something to happen in the fairly near future." Asked whether more concrete might With its "utterly unashamed not cause more controversy the use of concrete" the National firm replies: "We are controversy the firm replies: "We are controversy the firm replies: "We are consecuted to stamp on London's South Bank. Now the architects intects—who are on record as volved, Denys Lasdun Redhouse describing the Shell Building as "the lumn"—they tell me Bank. Now the architects involved, Denys Lasdun Redhouse and Softley, are poised to stamp and softley, are poised to stamp as "the lump"—they tell me again, this time on the site that it is still early days to between the (also concrete) talk of the design that may be adopted.

Peter Sofily, who spent 13 years on the National Theatre, stresses that DLRS's different building have used many materials, though he also talks of a "family resemblance" between them. He says that the new building will have to be a "good neighbour" to noth the Festival Hall and LWT. If so it may have to cross concretwith the white mosaic and bronzed glazing of LWT. Perhaps IBM has a computer to tell

No third

BBA, the belting and industrial materials group based near istics of wine samples." It shall Bradford, has had to retire consist of "a cup (an 'elongated embarrassed and hurt after a egg") supported by a stem skirmish with our younger resting on a base." It should generation. Last September it never be completely filled as offered a prize of \$50 to sto space is necessary "to collect dents in local secondary schools the volatile substances given off for an essay on the tantalising by the sample before the topic: "A career in industry— olfactory examination." It an opportunity or a dead end?" should be washed only in topic: "A career in industry— olfactory examination." It an opportunity or a dead end?" should be washed only in A second and third prize were distilled water, with the use of also offered.

self on being one of the bigger mineral acids not permitted. employers in the area, sent letters to headmasters and letters to headmasters and marking is necessary and "to careers masters. It followed up avoid the influence of body with information packs, posters warmth, the glass should be and publicity material. It sent grasped by the stem only, and out reminders and it put advertisements in the local

But now the group is licking experts, it its wounds. "We had hoped to determined not to let such stimulate the younger genera-tion to come up with some "sensory analysis." As Victoria bright new ideas." BBA says Wine told me, it all seems woefully. But the total response rather far-fetched. In any case

was four letters-two of them there is perhaps some consolaentries and two of them from tion in the news from Dublin headmasters wishing well but of the test-marketing of draught saying their schools would not. Guinness in bottles, be entering.

Organolepsy

Hard on the heels of the news that the Swedes are issuing standards for Father Christmas comes a comparably baffling announcement from the British Standards Institute. Covering "Sensory analysis—apparatus" standard BS5586: Part 1: 1978 is, I learn, identical with that "prepared by sub-committee 12. Sensory analysis, of technical committee 34. Agricultural food products, of the International Organisation for Standardisation."

The sophisticated object of such inquiry turns out to be a wine-tasting glass. Having established its claims to be taken seriously with such labarynthine phrases, the standard is quick to wax poetic, or nearly so. The glass may be used to

test " all organoleptic characterdetergents prohibited and The group, which prides it- cleaning by use of concentrated the cup should not be touched

Sommeliers, and wine

by the fingers or the nose."

Courting friends

One partial casualty of the suspension of The Times is an attempt to computerise that peculiarly British institution, case law. CLARUS, an acronym for Case Law Report Updating Service, is due to come into operation in January and will allow lawyers to summon up the latest court decisions in what-ever field they choose at the

press of a button.

"For around £1,000 per year
we will offer subscribers a centralised library function, says Dr. Stephen Castell, director of Infolex, the firm

involved.
CLARUS is to use the Post
Office's Viewdata equipment and
Castell describes how Infolex has been feeding digests of the main legal journals into its computer. But it relied on The Times Law Reports for up-to-

date coverage Cassell is still not sure how that hurdle will be overcome Though the foreign counter-parts of CLARUS all flourish he still only has six sure sub-

scribers, he tells me. He says that one U.S. system was considering storing all case law established here since the second world war. Apparently among the problems this raised was that British decisions would have been registered on a computer based in the U.S., a difficulty for lawyers who do not mind having a machine as their learned friend, providing the friend is at home.

Bitter tidings

Card pinned to a street singer's coat in Chelsea: "Ex-service Christmas tree-decorated and then thrown away."



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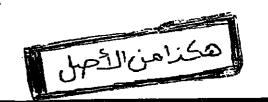


THE SCOTCH OF A LIFETIME



FINANCIAL TIMES SURVEY

Monday December 18 1978



Big spending pays

By James Buxton

TRANSPORT IN the Arab world has been almost totally transformed by the economic revolution in the region over the past five years. The surge of imports after the 1973-74 oil price rise caused dramatic congestion at ports, airports and road border posts. While extrabe applied to bring goods in quickly, a big programme for building new or expanded nort, airport, road and railway facilities got underway in the richer countries. Now the import boem has peaked, but in the process the transport systems of most Arab countries have improved out of all recognition.

A rough indication of the pressure of imports which the Arab world had to cope with can be seen in the statistics down their economic growth of the OECD countries' exports rates (the pressure on all parts to the Middle East, which in of their economies, not just this case omits North Africa their ports, had become agonis-but includes Iran, Exports by ing), hurriedly bringing new these countries (making up port and airport capacity into about three quarters of total Arab purchases) increased in draconian measures to crack value by almost 60 per cent in the human problems which 1975 over 1974, then by 16 per cent in 1976 and by 19.5 and removal of goods from the per cent in 1977. (Being ports. Shipowners played their measured on an fob basis the part by introducing containerisastatistics do not accurately tion in 1976. In the second half actually cost the Arab world, Middle East fell by more than this being much higher because a third and have not recovered. of port congestion, shortages For the ro-ro operators the and domestic inflation.)

Congestion was at its worst enter such ports as Jeddah and Dubai: and emergency measures were deemed necessary for bringing in imports, including the use of a helicopter to airlift bags of cement from ships waiting outside Jeddah. The very high freight rates to the

Arab Transport

During the years since the oil price rise of 1973-74, there has been a major expansion in transport facilities to, from and within the Arab world. Large amounts of money have been spent on developing the area's ports, roads and airports, in setting up a railway network and expanding airline services and shipping fleets.

to run from Europe to the Red Sea and Gulf, and for towed barges and lighter aboard-ship systems to make their debut in the region, while some unusually large but urgently needed cargoes went by air freight, and heavy lorries madthe costly and hazardous overland journey to Arabia and the

Reacted

The oil exporting-states reacted to congestion by slowing and belatedly using were holding up the clearing what these imports of 1977 shipping rates to the collapse was even more severe, in 1975 and 1976, when ships Survey, the economics of much could wait up to half a year to road haulage business to the region was simply destroyed. This year it is the air freight operators who have in many cases, seen their traffic fall.

That is not to say that the game is up for those operators of means of transport other than conventional shipping. To Middle East, boosted by con, the wealthy oil states there is gestion surebarges, made it still a small place for rono ship-

necessarily high rates. And it missioned before the majority of Arabs live in relacause of the inflow of aid, inexpatriate workers these states that port congestion and its attendant effects still exists, and has to be circumvented.

congestion, and partly as a result of their wealth, the oil rich states are in the process of completing an enormously superior transport infrastructure to that of the early 1970s. In the Gulf and, to a lesser extent, the Red Sea, ports are being expanded and new ones The most egregious example is the United Arab Emirates, where economic competition with a political twist will result in the federation having by 1982 more than a third of the 350-odd commercial berths in the Gulf (including Iran)-for a state that has only 2 per cent of the region's population. Saudi Arabia is also continuing a large-scale commercial port building and expanenvisaging, probably correctly, a steadily growing volume of imports and unwill-Other states have been more easier (although it initially Arab world's biggest with more

and air freight still justify their new berthage was com- to the Egyptian economy. is often forgotten that the effects of containerisation had become clear, and perhaps with tively poor non-oil exporting insufficiently ruthless analysis countries like Jordan, Egypt, of what the imports of small Sudan and North Yemen. Be-states like the UAE are to be, once they have created their vestment and remittances from basic infrastructure. Congestion had been defeated before are now all in varying degree much new capacity had come enjoying their own booms. But into use. One firm of consultants they have less capital to spend has concluded that not only will new ports and transport the UAE have 70 per cent surfacilities, and it is in these poor plus port capacity by 1982, but relations of the Arab family that it will also have 60 per cent surplus container handling capacity by the same year because of the duplication of

Partly as a direct reaction to facilities. Saudi Arabia has also been although it should be remembered that economic projections What are an inexact science. biggest economies of the region. in the market, and the bulk of Saudi Arabia and Iran are Arab oil is carried in non-Arab determined to have more than ships. enough port capacity of their own, which parrows the opportunity for UAE ports to function as transit centres for the region. But the fierce competition which is certain to occur should make the new breed of Arab ports not just among the best equipped in the world but also some of the most tightly run.

The Suez Canal is the main sion programme on both its artery of maritime transport in the eastern part of the Arab world, and its reopening in June, 1975, not only made the ing to be caught out again. development of Arabia rather economic for expensive ping while for some high-value modest in their develop- added enormously to conges- than 50 jets, including Boei specialist roll-on roll-off vessels cargoes direct overland services ments, but almost all the tion) but has been a vital prop 747s and Lockheed Tri-Stars.

full Traffic is now climbing rapidly back to the record level achieved in 1966, before its closure, and the first stage of a project to enlarge it to win part example - being insufferably of the super-tanker traffic is on crowded, while the UAE has schedule for completion in several international airports 1980. So far the success of the either complete or under con-Canal's reopening has con-struction which either are founded sceptics who thought already or will become underthat the waterway had had its utilised. But in many centres

Apart from the canal, the

other specifically Arab contribution to maritime transport is the fast growth of the Arab shipping fleet. Currently the Arab states are trying to corner the market for the transport of their gas products. However, in the crude oil transport business those of the nine-nation Arab Maritime Petroleum Transport Company (AMPTC)-to create is clear, however, it that the two a special place for themselves

Increase

The enormous increase in air traffic to the Arab world-there was a 17 per cent rise last year alone, with more than 15m passengers being carried—has naturally put heavy pressure on carriers of the oil states have greatly expanded their fleets to carry their full share of the traffic to and from the region. with Saudia, the national airline of Saudi Arabia, now the than 50 jets, including Boeing

Yet the facilities on the almost any part of the UAE and ground rarely match those in Oman to Europe with only a few the air, with several major airports-Jeddah and Dubai, for major efforts have been made to speed up the handling of air freight, which is now swiftly cleared.

A colossal new airport is being built at Jeddah (its scale dictated partly by the need to cope with the annual pilgrim traffic to Mecca), and Saudi criticised for underestimating it has not proved possible for number of smaller airports that the effects of containerisation, Arab-owned ships - including are being built all over the country and connected to the main centres by frequent and fairly efficient services. In no other Arab country is the aeroplane being used on such a large scale to overcome the problems of distance and harsh terrain. Meanwhile, as a direct consequence of the allocation of discovered oil resources, other states, like Sudan, which badly need new airports and bigger airline fleets, must struggle on with run down facilities and inadequate equipment.

> quickly into the Arab world has Arab railways concentrate little been one reason for the fast on passengers. An important are not heavily economically development of the road netpart of the transport revolution interdependent in terms of work; the other is simply the emphasis on building up an inof the past five years is the trade. The bulk of their commerfrastructure. When the UAE enormous, if hard to quantify, cial dealings are with the was founded in 1971 there was increase in car and vehicle developed world. Better cono road linking the two main ownership in the Arab world, ordination of transport should

to own cars and for small entre preneurs to buy taxis, pick ups mini-buses and lorries for carting people within and between towns. The majority of the vehicles are Japanese, at least in the eastern part of the Arab

In almost every field of transport in the Arab world there is one or more multilateral body to promote co-ordination between states-in such fields as aviation, shipping, port manage ment in the Gulf, etc. There are also several multilateral including companies, AMPIC and other joint ventures in shipping; Gulf Air, owned by four Guif states; and the proposed co-ordination of Arab airlines on a route to the

The multilateral organisations

Obvious

mules of unmetalled surface—a

road having been built along

the inhospitable coast of Abu

Dhabi to join the Saudi system.

being improved and expanded

metalled road connection to

North Yemen while South

Yemen is also isolated by a

metalled road from Saudi

Arabia. New roads are spread-

ing across Libya and the

Maghreb, while a road network

is being laboriously statched

together in Sudan, which should

next year have its first metalled

The lack of a working inter-

Arab railway system stretching

peninsula, as well as the

problems of the connections

between Turkish, Syrian and

Iragi railways, meant that rail-

ways played little part in reliev-

ing port congestion in 1975 and

1976. But Syria and Iraq are

strengthening their internal

rail networks to a high standard,

and there are plans to reopen

the Hejaz railway from Amman

to Medina in Saudi Arabia and

link it to a new trans-Arabian

network which would replace

between Dammam and Riyadh.

the existing under-utilised line

Except in Egypt and Sudan,

Khartoum and the Red Sea.

into the

between the capital

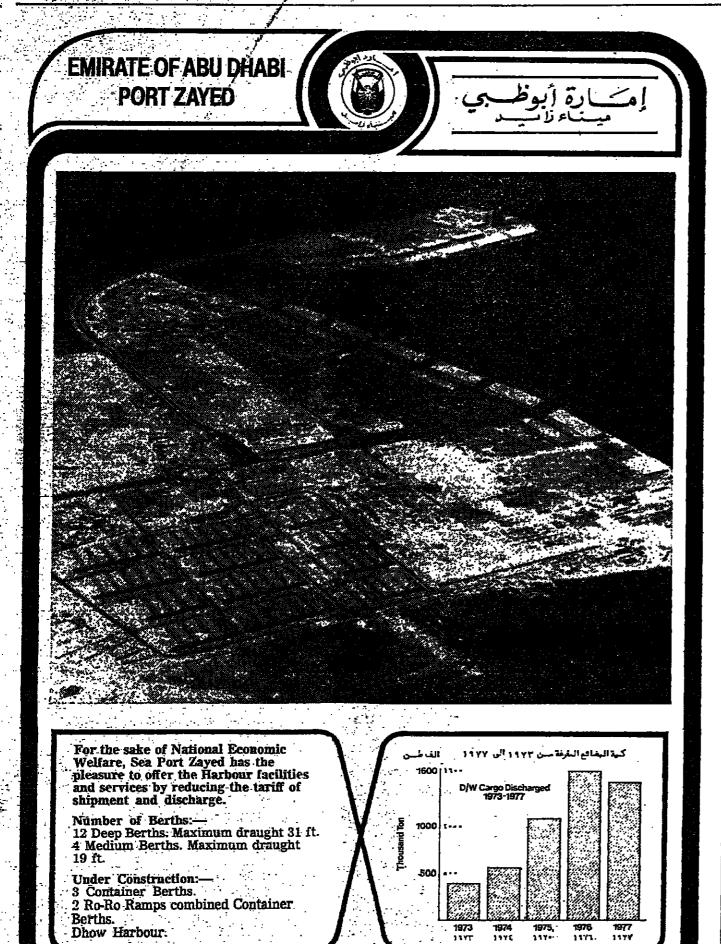
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function with varying degrees or enecuveness, but the absence tion in the region is often more obvious. The recent political reconciliation of Syria and Iraq has ended a period lasting quickly, but there is still no several years, during which at uniterent times the pipeline to the Mediterranean has been ciosed; rail links between Turkey and Iraq across Syria have been cut; air services by national airlines have been haited: postal services borders closed. The two countries involved have been the main losers, but other users of transit routes have been affected, and it has been clearly demonstrated that transit routes anywhere have limited security The current problems between North and South Yemen prevent the fine port of Aden being used to supplement North Yemen's more meagre ports. Duplications of port facilities in the Gulf has already been discussed. Civil war in Lebanon has put the port of Beirut out of action At the back of these and other apparent transgressions against the creed of Arab unity is the fact that most Arab countries the creation of modern nation States within often illogical borders as their first priority.

Despite trade in foodstuffs and

petroleum products. Arab States

Emirates, Abu Dhabi and Dubai. with the oil wealth making it come with greater economic Now it is possible to drive from possible for many more people integration.



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GULF PATTERNS 1977-82 is a study of economic trends in eight Gulf States. It is essential reading on the area and is published jointly by Gray Mackenzie

Prospect of surplus port capacity

that surged up in 1975 and 1976 darkest days of port congestion. specialised handling facilities. and then subsided is leaving an Dubal is still in the process of Although many containerships is that there will be important attitude that this remarkable also in operation or under con. Saudi Arabia is planning its both cases the boom caused by indelible mark on the Arabian expanding its highly successful peninsula in the form of Port Rashid to 35 berths, while surplus port capacity. All along the Ruler Sheikh Rashid is the Gulf new ports are being building another 66 commercial built and old ones expanded, berths a few miles up the coast but few of them seem likely at Jebel Ali. However, Port ever to be fully utilised. Empty Khalid at Sharjah, which is only berths seem set to stand as 20 minutes drive from Dubai. monuments to over-reaction, will by next year have 111 political rivalry and the trans- borths, and seven are nearly formation of cargo handling methods. further up the coast.

A recent report by Peat Marwick and Mitchell Management Consultants studied the economies of the region, analysed shipping and looked at port development plans, concluding that by 1982 about half the berths in the Gulf (including Oman and Iran, though not considering Kuwait and Iraq) would be surplus to requirements.

However, the surplus in what resources-some \$5bn worth of port construction work was said to be in progress last year in the Arab Gulf states-is not evenly distributed. According to Peat Marwick, whose report can be obtained for £50 from Gray Mackenzie, the port management group, Saudi Arabia wili have 30 per cent surplus capa-city in its Gulf ports by 1982, while Bahrain will have less than 20 per cent. But the consultants expect the United Arab Emirates to have no less than 70 per cent surplus capacity by overcapacity for container

Since the report came out it has become clear that Abu Hindrance Dhabi is not going ahead with an extra eight berths at Port

states as a potent symbol of achievement, and the result has time. been the announcement of duplication of facilities in a way the growth of containerised

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RAS MUSANDAM

completed at Ras al Khaimah

Each of these ports should have a role to play at a certain level - Ras al Khaimah's Port Saqr. for example, will be used for the export of cement and aggregate, while Khor Fakkan is a specialised container concept. But none is likely to be utilised to capacity and some berthe may never be completed.

Like other Gulf ports these were planned before the full effects of containerisation of Middle East shipping had been realised. If each Emirate could justify having a port of its own, would be more difficult for them to justify having so many general cargo berths, alongside the container and roll-on roll-off berths that have made many of them redundant. And Peat Marwick has estimated that even if in 1982 all the containerised traffic to the UAE were to use the container berths now in use or under construction. there would still be 60 per cent

Containers only Zaid, but the report would sug- arriving in the region in 1976 berths which will be completed caused by the rush of imports by then will not be needed. The after the 1973-74 oil price rise. total number of commercial By this time many states were berths in the Gulf by 1982 is firmly committed to expanding likely to be more than 350; of the number of their general those more than a third will be eargo berths. Nor did the conin the UAE, which is not likely tainer revolution catch on at to have more than 2 per cent lightning speed: although conof the population of the region. signees were pleased at the The United Arab Emirates is speed with which their goods something of a special case for arrived and at the fact that what has crudely been called they were usually undamaged lack of berth control. There and unpilfered, for many port construction has been seen smaller companies containers by the rulers of the individual meant that too great a volume of goods arrived at the same

But the main hindrance to

MUTTRAH -MINA QABOOS

while port control procedures October. There are other Khalid and Dubai's Port Rashid.

area, this form of transport is bours. shipping is gradually becoming less economic with the drop in ing of port congestion almost everywhere around the coasts of the peninsula. Even so, at the end of last year it was estimated that only a third of containerisable traffic from Europe to the Gulf was containerised, against 65 per cent for North America and less than 20 per cent from the Far East. Peat Marwick estimated that "complete" (i.e. 85 per cent) containerisation of goods from

the smaller states, like the UAE, an unexpected increase in were inadequate. Jeddah on the Oman and Kuwait, imports are traffic. He points out that many Red Sea established a container generally expected to level out European ports have large numterminal last year and the new as infrastructure and other bers of surplus berths and Main Terminal was opened in development slows down, partly believes this buffer is essential for lack of anything left to for smooth cargo handling. "I terminals at Sharjah's Port build, while there are likely to am in the process of creating be limits even to Saudi Arabia's excess capacity," he says. The However, now that container growth. Iraq, with its larger handling facilities are being population, may well expand installed at other ports in the rather faster than its neigh- disaster as well as a traumatic But as construction increasing, while roll-on roll-off activity peaks in the smaller that the man charged with end- is essential if the different to their destination by road or states, the nature of imports is ing it can be forgiven for erring likely to shift away from a preponderance of construction materials, which made up two thirds of most Gulf states' imports in 1976, towards other goods such as foodstuffs and manufactured items. This will increase the proportion of containerisable cargoes and so reduce the number of berths required.

Some people have questioned the estimate of Dr. Fayiz Badr, president of the Saudi Ports Authority, that only 60 per cent Europe would be achieved by of general cargo for Saudi

Arabia will be containerised in it lies. These figures exclude markets to satisfy all who wish and Port Sudan, still have wait-What most observers agree on the next few years, but the the specialised ports which are to exploit them. The fact that ing times of a day or two. In could unload their boxes them- shifts over the next few years in man takes is that it is essential selves, there was often not the nature and size of each of for Saudi Arabia to be prepared enough room for them onshore, the Arabian states' imports. For for any eventualities, including housing construction and for of its neighbours is an ominous

> peak of port congestion in 1975-76 was such an economic on the side of safety.

While there are plenty of

people in the UAE who now doubt the wisdom of their surplus come on stream in the (MTI), expansion facilities. the mood in Saudi Arabia is rather more confident. There port expansion is conof small satellite ports near Arabia and Oman. But it, Gulf and Red Sea are expanding Jeddah to prevent the port remains to be seen if there will and uncongested. Two Arab swamping the town in which be sufficient growth in these ports, Hodeida in North Yemen

schemes of the Ministry of Defence.

tidiest institutions in Saudi Arabia, and it is becoming a feature of ports in the region that with the ending of concestion and the coming of containers they are becoming neat and well organised. In the of Hormuz Meanwhile the con-UAE high-grade management competing institutions are to smaller ship. The new facility chants found, they had over-survive. Competition could opened earlier this month ordered and credit ran short easily become fierce as the under the management of

market several ports are setting a letter of intent to Port their sights on developing the Management Service, a subentrepot operations which sidiary of Seatrain of the US, already exist in the area—with which runs Port Khaled, though tinuing at a fast pace, with entrepot operations which sidiary of Seatrain of the US, there are proposals for develop-a total of 114 berths planned already exist in the area—with which runs Port Khaled, though ing two other ports, Morea and for Jeddah, Yenbo. Dammam Dubai in particular handling it is to have overall manage. Saliet in Sudan it is proposed. and Jubail commercial harbours re-exports for Iran and Pakistan ment of the port by 1981, and the possibility and, by road, Qatar, Sandi But not all the ports in the some miles south of Port Sudan

next few years.

struction for the industrialisa-port requirements without any the flood of Arab, aid invest-tion programme, for imports for reference to the developments ment and remittances from the enormous construction sign that it may be reluctant to their own hooms, which last import through the UAE ports year caused serious congestion.
On the Gulf of Oman, Knor In both cases the usual measures Jeddah port is arguably the Fakkah with two container have been taken to try to speed berth is intended to serve the up cargo handling and clearing. for India or the Far East with Port Sudan the shorter delay some containers for the Gulf, may be due to reduction in It would offload at Khor Fakkan imports because of the peaking

berths that seem likely to be Marine Transport International (MTI), which runs the Jeddah container terminal. The the Apart from serving the UAE Sharjah Government cancelled South Yemen.

tainers would be transported

workers abroad have caused large container ship heading with some degree of success. At and sail on, avoiding the Straits of the beem and payments problems, while at Hodeida the congestion was cut by a minor recession in which many mer-

> Difficulties between North and South Yemen restricted the use of Aden, in South Yemen, as a port for

The World Bank has a project for expanding Hodeida and there are proposals for developto build a new port at Snakin but work has not yet begun.

James Buxton

Mediterranean ports

The impact of political change

ports have been at the mercy up to 3m. of political change in the Middle ports are no longer the inevitable transit points for goods Destroyed being sent east to the oil States

impurts, the closure would have had a far more devastating impact than it subsequently did. And with the re-opening of the Canal there is little price benefit in sending cargo for the Gulf through the ports of the East Mediterranean

The biggest expansion is therefore likely to be in Egypt. with the planned growth of work. Alexandria and the reconstruction of Port Said to cater for the Egyptian domestic market. There are also programmes to increase the size and number of the North African ports further

Before the civil war Beirut port had the greatest experience of dealing with transit trade in the area; in 1974 it handled over 3.5m tonnes of cargo. But its facilities were decaying and its organisation increasingly chaotic. It lacked warehouses, handling equipment and an

MAJOR EAST Mediterranean this year the annual rate was

Peat, Marwick and Mitchell, so. Beirut port, devastated by made plans for improving the Syrian border in October. Prethe 1975-76 Lebanese civil war, port and building a container viously goods for Iraq not going is closed once again. But to the terminal. This would have in overland or through the Gulf north the Syrian ports can once creased handling capacity for had used south Turkish ports more be used for transit trade boxes from 30,000 a year to such as Mersin and Jordan's to Iraq following the recent rap- 250,000 by 1990. If the port Aqaba. A million tonnes of prochement between Damascus expansion plan went ahead goods had been going through and Bashdad. Most important of immediately most of the work the south Turkish ports alone, all, the re-opening in 1975 of could be done in six to nine some of which will now go the Suez Canal, closed by the months, though an international through Syria. It may take some 1967 Arab-Israeli war, means tender would increase the time time, however, for the route that the East Mediterranean to about two years.

In the event heavy fighting If Beirut port had been closed between the Syrian forces and immediately after the 1973-74 the Christian militias, culminatoil price rises, when the Gulf ing in the sustained bombard- culties in coping with a greatly port is planned at Dhikelia. and Red Sea ports were con- ment of east Beirut in October, has ended reconstruction plans for the moment. Newly built warehouses were once again destroyed and the port is likely to stay closed until at least January. A few grain ships have docked, but ressels are still vulnerable to sniper fire. The port company has not been able to reopen its offices. Management and stevedores cannut get to

> Smaller ports on the Lebanese coast have expanded to meet demand. The most notable of these is Tripoli, where the entry channel has eight metres of water, and there is transit trade to Syria through the port. But lack of stevedores, equipment and experience probably mean that such expansion will be temporary. other ports like Jounich, in the Christian enclave north of Beirut, and Sidon have shallow harbours and cater only for a local market.

The Syrian ports Latakia and integrated management. Tartous have both benefited Such failings ceased to be from the diversion of trade relevant when the port was from Beirut. Half the work on largely destroyed by the war. the Latakia expansion, to in-Warehouses were systematically crease capacity to 3.5m tonnes looted and then blown up. The by 1980, has been completed scale of destruction appeared to and by 1982 Tartous should be offer an opportunity for re- able to take 5m tonnes. Under organisation and expansion. In a 1976 loan agreement Saudi 1977, for all these difficulties. Arabia is providing SR 175m tothe port handled 2m tonnes of wards the cost of the two proneeded to cope with the in-

The history of the Egyptian has been mainly one of recovery from war, complicated by diffiincreased flow of imports. By

up to standard.

Greater capacity will also be of imports of which 29.3 per pelled to wait for up to 100 cent was cement and 50.9 per days and demurrage charges have never been as prone to creased traffic resulting from cent wheat and flour. A prob proved expensive for the East over the past ten years or as management consultants, had the reopening of the Iraql- lem at Port Said is lack of adequate access roads.

> Studies are continuing for a new port at Damietta where the local road network is somewhat better. A U.S. consultant group preferred Damietta to Port Sald for a new 10m tonne port but the cost of building a large new port with infrastructure is likely to prove extremely heavy.

Whatever the potential of these developments for the moment Egypt continues to rely on Alexandria. Its capacity is a Mediterranean ports since 1973 theoretical 10m tonnes annually third. Close to Alexandria a new

The most important plan is 1973 91 per cent of trade was for the expansion of Alexandria moving through Alexandria itself at a cost of \$143m. In the importer, and in the past goods Reconstruction work at Port past the port has suffered from bound for the Libyan market local administrative experience Suez at the southern end of the inadequate facilities and bad passed through Tunisia. All the to cope with day-to-day and long-Canal has gone ahead faster management, in addition to los ports are being expanded, in term problems.

the year, however, stevedores have been working day and night shifts which has reduced the waiting time to around four

further west cater almost than those in the east Mediterranean. In Libya, Tripoli and will be eased when the new port Benghazi are increasing their at Bent Ehzar, opens. As with port capacity to 10.5m tonnes so many ports in North Africa.

a year by 1980. major imprevement since the of equipment, quays, storage, chronic congestion of last year. labour and access routes can and

been as bad as Libya for the pace of expansion has been so importer, and in the past goods rapid that there is insufficient than at Port Said. But last year ing some 40 days a year through cluding better facilities for phos-the latter handled 2.1m tonnes bad weather. Ships were com-

economy. Since the middle of Mediterranean. But heavy immaterials have led to 43 vessels waiting at Algiers port at the end of November. A new port-The North African ports costing some \$500m is to be built at Didiel. In Morocco entirely for their own domestic bulk carriers have suffered from markets and have been less delays at Casablanca and the affected by political change port needs many improvements. The movement of bulk goods

and indeed the rest of the Arab There has already been a world, the immediate problems The Tunisian ports of Bizerta, are being resolved but adminis-La Goulette and Sfax have never trative difficulties remain. The

Patrick Cockburn

The Suez Canal

Traffic still increasing

THE SUEZ CANAL, now in its third full year of operation since re-opening, will shortly be reporting a continuation of the trend of rising traffic which has confounded the sceptics who believed that the 100-year-old waterway was past its heyday.

In the 10 months to the end of October 17,695 ships with a Suez Canal net tonnage of 199.8m passed through, compared with 16,302 vessels of 179.8m in the corresponding period last year. The annual total will comfortably exceed last year's 220.4m tonnes and will be the third or fourth largest volume of goods handled

in the Canal's history.

Assuming that the region remains peaceful, it should not be long before traffic passes the record level of 274.2m tonnes achieved in 1966, the year before പ്രായം.

Sceptics, however, are still not

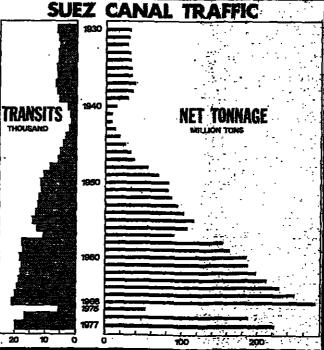
convinced that Egypt was right to go ahead even with the \$1.15bn first phase of its development project, which is on schedule for completion in the middle of 1980. Some \$660m of this sum has so far been committed by foreign governments and banks, including the World Bank. This development is designed

to win back for the Canal the traffic it has lost since 1976-the larger oil tankers. During the nine years it was closed, the supertanker was born, meaning that only 25 per cent of the world tanker fleet is now physicper cent at the time of the The first phase of the exten-

sions will permit the transit of ships for 5.5 per cent. Canal to loaded tankers of enabled the authorities to charge 260,000 dwt and 300,000 dwt a 5 per cent premium on conpartially foaded and to any ship tainer ships which stack boxes now affoat in ballast condition.

area of growth, however, has not been tankers but the general cargo ships trading into the growing Gulf economies and the large containerships plying between Europe and the Far East. Coopers expected general cargo vessels to generate 84m net tonnes of traffic in 1977, whereas the actual total was ally able to transit the Canal over 100m. Conventional general when loaded, compared with 74 cargo ships accounted for 30 per cent of total Canal traffic last year, container ships for almost 10 per cent and roll-on roll-off

three-high on the deck-thus volume forecast in the studies conceded by the shipping lines against the Canal authority ever: undertaken two years ago by without a fight.



Coopers and Lybrand. The main But the real point of widening and deepening the Canal is to win the business of the large oil tankers, which are more remunerative because of their greater tonnage. Some critics have argued, however, that the main effect of the Canal project will be to delay the point at which over-capacity in the world tanker fleet is destroyed. Coming on stream in 1980, the larger Canal certainly will increase the efficiency and

therefore the effective capacity of part of the fleet. It is also argued that when it comes to the biggest tankers, loaded tankers of 150,000 dwt. This has been the Canal's real which will be able to pass. The second stage will open the success story and it has even through the Canal when this second development phase is complete, the economic margins between transmitting the Canal on the shorter routes and slow-Levels of traffic have in fact effectively increasing their net steaming around the Cape are comfortably exceeded the tonnage, although this was not so slight as to be a partier. charging dues high enough to

If this is true, Canal officials show no signs of concern. They say that dues will not be increased before the first phase opens and even then policy will be determined much more by the desire to see the Canal busy. than to maximise revenue: So lar this strategy has worked and confidence in the Canal and the safety of its hinterland has been successfully re-established.

Hard currency from the canal dues remain an important factor in Egypt's economy. although not so important relatively as it was in 1966-67. Revenue amounted to \$400m last year and is forecast to rise above the \$1 bn mark between 1983 and 1985, depending upon the tariff levels selected.

Opinion

Whether the tankers will return remains a matter of opinion, although it is deficult to imagine that in a buoyant freight market where speed of voyage becomes assential to maximise profits the Giff north Europe tankers would not reimn en masse to Suez

There is also the additional complication of the Sumed pipeline, which provides an alternative to the canal for oil transport but the line has been operating at only partial capacity for several months and it seems unlikely that there would ever be any serious tariff competition between the two systems.

According to the United-Nations Conference on Trade and Development, the closure. of the Suez Canal cost the world over \$13bn by lengthen ing trade routes. This figure owners were not able to make compensatory econom but there can be little doubt time in the 1980s work in the canal's favour.

Ian Hargreaves



In 1979 two new container Ro-Ro sister ships: "Ledenice" and "Bribir" of 7000 dwt. 17.8 knots (fully loaded) and 414 TEU each are entering the service. Terms and Conditions: Pier to pier and door to door. Through bill of lading accepted. Vessels equipped with own cranes. Containers 20 and 40 feet for all purposes. Time of shipment 12 days. JUGOLINIJA

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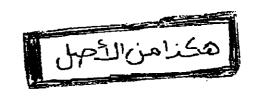
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Total

2.2m1.2m

0.8m

7.9m



Tankers

22 643,000 16+ 799,000

29 131,000

Totals 197

23.000

5.4m

Shipowners Fleet in trouble

THIS YEAR has been one of consolidation for the Arab fleet as shipowners have dealt with the consequences of decisions made, for the most part, before the gravity of the shipping industry recession became

New vessels ordered pre-recession continue to be delivered, resulting in continued steady growth of the Arab-flag fleet at the effective implementation of a time when a number of the cargo reservation for national established maritime countries are seeing their fleets shrink.

Even so, the Arab fleet still only represents 2 per cent of the world's tonnage at a time when the Arab states are generating and 30 per cent of total seaborne trade, measured by volume. This leaves a large gap

between the aspirations of the Arab countries as reflected in the United Nations code on liner shipping, which suggests that all countries should carry 40 per cent of their own seaborne trade. Recently, the secretariat gas from Kuwait, initially, and of the shipping division of the UN Conference on Trade and Dhabi. Development has proposed applying this principle to bulk- project is due to come on stream

good deal of heat when UNCTAD convenes again in Manila next May.

Most Arab shipowners have, however, long since ceased to rely upon political forces to win them commercial success. All oil continues to be traded on an fob basis, leaving little room for lanker fleets.

Other preferential methods, such as offering Arab ships cheaper fuel, have been tried and failed for a variety of reasons, ranging from abuses of the system to the difficulties of distinguishing between pure Arab operations and Arab-flag ventures in which there are substantial shareholdings in the developed world.

The latest test for the proponents of cargo preference is at the going market rate. At the allocation of contracts for the carriage of liquid petroleum later in Saudi Arabia and Abu

The first stage of Knwait's gas

two (70,000 cubic metres) LPG from the enormous pressures of carriers available and two more oil company neet. on the way. In addition, the By 1985, the Middle East through a continuing cash crisis Kuwait-based Arab Maritime should have more than quad, and plans to expand the fleet, notably on the petroleum pro-Petroleum Transport Company, rupled its LPG exports to notably on the petroleum proowned by nine Arab states, will

the Kuwait flag, the second per year expected from the first half its seaborne gas exports in stage of the gas project, this its own ships by the mid-1980s. share will be covered as soon as the LPG ships now under construction become available. The contract also states that the Kuwait LPG ships will be fixed

the end of 1979.

Although gas, whether LPG or liquefied natural gas (LNG) is small business compared with crude oil, it gives the Arabs an including tanker — shipping, early next year, about one year important opportunity to plan This move, fraught with late, by which time Kuwait Oil the growth of their fleet in line

full flow, the gas project will

involve exports of 5m tonnes per

Tanker Company (49 per cent with the growth in production Government owned) will have and relatively free, at this stage,

around 30m tonnes and it will have one 75,000 cubic metre he interesting to see whether LPG ship and a second due at the exporting states will succeed in fully employing their The Kuwait Government has own tonnage at the expense of already agreed to a preference ships owned by independent clause granting its own flagged owners during the next three ships (the first AMPTC ship will years when this type of vessel that of Saudi Arabia) a 40 per Algeria, the country with most cent share in gas export move- experience in gas shipping, is ments. With 2.8m tonnes of gas confident that it will be lifting

> This is very had news indeed for the large, established shipping companies, like P and O of Britain, which invested heavily on a speculative basis in gas ships. These companies can only hope that the Arabs will be as unsuccessful in cornering the gas market as they have in cornering the crude oil shipping

Arab owners have been bitten badly by entering the oil tanker few more joint ventures, some industry with ships bought at boom prices and trading in slump conditions until the partner. recent and no dobut temporary fillip in the market. AMPTC lost \$22.5m last year on operating financial position is serious.

AMPTC's shareholders re cently agreed to set aside 880m in the next five years in the form of a soft loan to help it

There is some regret among AMPTC officials about this against expansion as there is little doubt that secondhand ship prices have bottomed out this year without any significant purchasing by Arab sources. Kuwait Oil Tanker, which also lost money last year. is similarly restrained from expansion, although the fleet managed by this company should increase now that the Kuwait National Petroleum Company has at last started its purchasing programme for eight products tankers, AMPTC, however, is bidding for a share in managing these ships.

The only other activity in the Arab tanker fleet in the last year has been the creation of a involving oil companies, with Saudi Arabia the most favoured

It is still impossible to gauge could become when trading conincome of \$20.8m and although ditions improve, but for the the balance sheet continues to present they range from paper

Others 21 196,000 "Includes one chemical tanker. † Includes seven chemical tankers. convenience vessels. duct tanker side, have been

the joint venture.

On the dry cargo side, the United Arab Shipping Company continues to set the pace. With 58 ships aggregating more than 1m dwt, this organisation, owned by six Gulf Governments, has emerged as a significant force in world liner shipping. recently reported a net profit of \$38m for its first 18 months of trading to last December-a creditworthy performance given deteriorating conditions in the Middle East liner trades since the middle of last year.

UASC appears to have happily combined the benefits of the financial muscle of its shareholders and its advantages of access to Gulf cargoes with a tough commercial nose and an ability to survive the political tensions of the Arab world, which some see as the most severe handicap of the more broadly based AMPTC.

There is also a large number joint ventures between how important these companies smaller groups of Arab States, such as the Algerian-Libyan Caltram, and the Alexandriabased Pan Arab Shipping and benefit from interest on short- outfits with no ships to holding. Famco, which involve the Arab term deposits, the company's companies which have taken. League and Egypt, Syria and League and Egypt, Syria and over vessels, usually old, from Libya respectively.

fleet, that of the State-owned Egyptian Navigation Company. has also attracted attention recently with negotiations with world shipyards about, it was reported at one time, a programme for up to 60 new ships.

THE ARAB FLEET AT JULY 1978

19 40,000 70 220,000

132 225,000

571

Gas carriers

Bulk carriers

13.000

This never looked a very realistic proposition, given Egypt's appalling economic difficulties, and the word from Cairo now is that the modified five-year plan will provide for the purchase of just enough vessels to keep the fleet ticking over, that is four multi-purpose ships of 13,000 dwt. two bulk carriers of 35,000 dwt and two car ferries.

Longer term expansion is still the subject of study and is Arab fleet. closely linked to forecasts of an increase in imports from 7m tonnes to 11m in 1980, of which Egypt aims to carry 40 per cent in its own ships. At present, its share of its own seaborne trade is well under 25 per cent.

The other aspect of Egyptian maritime policy is the stimulation of private sector shipping and joint ventures, of which 10 have been formed since the formation of President Sadat's maritime and industrial world. open door" economic policy.

Another important point for Egypt, which because of its large reserve of skilled manpower has an advantage over the wealthy Gulf states, is the need to improve port facilities. long overdue specialised container berth for Alexandria should be approved next year, Government officials say,

Includes residual flag of

Source: Lloyd's Register of Shipping.

On a wider front, the Arab Centre for Co-ordination and Maritime Consultation, based in Kuwait but run by Iraq, has continued its efforts to promote the formulation of Arab maritime law, working towards an Arab classification society and the establishment of a protection and Indemnity Club for the

Talks are said to be nearing conclusion with London insurance interests on this last subject. A three-year project is envisaged to take the Arab fleet to a fully independent P and I club. Meanwhile on the widest possible front, the centre is still working on a study of the unistill the goal of a number of influential figures in the Arab

Ian Hargreaves

Shipping

The recession continues

THE MIDDLE EAST shipping trades after a glorious, for the operators, three-year bonanza are now well and truly back in line with the world shipping

Rates slumped during the second half of last year by an average of more than one third and for the specialist roll-on roll-off ships which made the biggest killing during the boom because of their ability to beat port congestion, the collapse has been **ev**en more severe. 🖟

By the end of 1977, the industry was consoling itself with the prediction that after three good years, a short, sharp shakeout was now mevitable, but that by the end of 1978, things should be looking better.

This has not happened, at least not yet. Certainly, there have been bankruptcies among even quite large lines and a large number of smaller, the volatility of two years agotions of service frequency, charter-only operators have still involve a high degree of load factors and variations between the control of the cont departed. There has also been a steady stream of announced rationalisations schedules and of lines joining together to reduce tonnage on

But, in spite of brief fluctuations during the year, there has not been the sustained improvement which most companies had hoped for by now. Some take the view that the gap is now primarily psychological—a lack of confidence among shipping lines that they possess the market power to drive rates up by 20 or 30 per cent—others say rationalisation have still not gone far enough.

The basic problem is that the world shipping recession, now approaching its fifth year, is still progressively eroding the financial strength of most, though not all. European, Japanese and U.S. shipping

The traditional large, diversified shipping companies are under severe pressure on tanker and bulk ship operations and the feeling is that withdrawal from one of the few areas where at least modest trade growth is in prospect is unthinkable. Also depressed charter rates for ships continues to make it easy and profitable for small operators to enter the Middle East or indeed any other trades.

What the established companies have tried, with some success, to do, is to increase the specialisation of their operations, identifying specific cargo flows and concentrating on heavy lift ships, for example, and by seeking joint venture arrangements with Arab-flag shipper's point of view.
companies which in the medium According to a recent term undoubtedly represent a serious challenge to the older

mini-conference activities, with success has been limited.

Even if these structural probout, shipowners face difficult as that shipowners would not be business decisions about the best studying as long and hard as schedules in trades which design and configuration of tonalthough calm compared with nage. In practice, considera-

PROJECTED TRAFFIC AND CAPACITY AT MIDDLE EAST PORTS (m tonnes)

tur tounes	-		
Type of traffic/berth	1977	1979	1983
Conventional:			
Traffic,	46.8	41	40
Capacity, high	41	53	92
Capacity, low	-	32	56
Container/ro-ro:			
Traffic	4.5	10	19
Capacity,	4	19	35
Total:	: -		
Traffic	51.3	51	59
Capacity, high	45	72	127
Capacity, low	٠.	51	. 91
Source: B. P. D	rewry.		

next few years, the rates of growth predicted vary consider-

predictions of what proportion of the seaborne trade will be unitised and what proportion of the unitised cargo will be moved in pure lift-on lift-off containers and how much by trailer-borne ro-ro services.

that the shake-out and the Middle East was still being tainer, such as cement, will cermoved in conventional breakbulk style, but with container handling facilities sprouting up in ports throughout the region, the trend towards more boxed goods is now unstoppable.

Leading

Some forecasters suggest by 1982 as much as 80 per cent of all cargo into Arab ports could be containerised. Saudi Arabia is leading the way, with Jeddah alone expected to handle well, over 300,000 20-ft box units this year, making it the 25th largest container port in the world, according to Containerisation International Three years ago it was not even in the league

Existing port plans in the region, especially in the Gulf, already guarantee substantial overcapacity of gantry cranes ports by the end of next year. All of this should improve the economics of containerisation from the shipowner's and the According to a recent study match.

broken under the strain of out- the 1400 TEU, gearless conminimum rates, but their with a mixed cargo of trailers

lems of the routes can be sorted retical and if it were as simple type of ship and service they are now about optimum

tween different ports of call so Although trade into most of far as key land infrastructure the Arab countries is expected for moving boxes is concerned to continue steady growth in the produce unique circumstances

Even more varied are the

of all general cargo into ther shipped unnecessarily by con-

of Middle East liner trades by H. P. Drewry (July 1978, price £75) under equal conditions, the Matters are not helped by the cost per ton of sending goods, fact that the conferences in the from a quay in NW Europe to a Middle East liner trades, having quay in the Gulf is least with sider lines piling in during the tainer ship. Taking the index boom, have been unable to for this vessel at 100, a modern restore order now that the boom breakbulk liner comes out at is past. A lot of energy has 136, the same ship at 123 when been spent in the last year on carrying a mix of breakbulk and containers and a roll-on groups of lines seeking to pro- roll-off ferry at between 145 tect their own interests by and 221. The large, modern rogentleman's agreements on ro ship is, however, competitive

and containers. This, of course, is very theolong term profitability.

No one doubts that containerisation will grow, but it is still not clear what the competitive relationship will be between the small and medium size container ship and the large ships serving Europe-Far East/ Australia and calling at Arab ports on the way. Also, if in the short term box rates Last year, around 85 per cent. increase, some goods now being

tainly return to breakbulk.

In the meantime, there is great interest in the fact that the major Japanese lines have recently started to put con-tainerships into the Middle East trades after years of resis tance on the grounds that one way trades (there are still few return cargoes from the Arab world) did not justify the in vestment. The Far East accounts for 30 per cent of Mid East liner traffic. Although roro services account for almost half as much cargo movement to the Middle East as lift-on lift-off boxed cargo (about 19,000 TEU per month) the general view is that the capital intensive ro-ro operators have a very limited future now that port developments are coming on stream.

For the ro-ro operator, much for container handling at Arab depends upon the ability to achieve fast transit times, making more intensive use of his capital asset, and in marketing a degree of flexibility which other handling systems cannot

Other systems, such as lighter aboard ship and East Line's roro variation of towed barges between France and Saudi Arabia have also demonstrated their place, although it is, a small one in terms of the whole transport picture. East Line, like an increasing number of other shipping concerns, also offers trucking services to provide a complete door-to-door ser vice for customers. This line is just one of many

which have extended operations in recent months at the same time as competitors have been cutting back. Whatever the problems and pressures of shipping to the Arab world, this is the best possible evidence of the industry's confidence in its

Saudia's Choice-The Rolls-Royce RB 211 Engine

Saudia was the first airline to order the most powerful version of the Rolls-Royce RB 211 engine the -524. It powers the airline's Lockheed TriStar -200 airliners. Saudia recently ordered three more of these, bringing its TriStar fleet to 13 aircraft.

Other major airlines have also chosen the RB 211-524 engine. which is certificated at 50,000 lb take-off thrust. It powers long-range Boeing 747's ordered by British Airways and Cathay Pacific, as well as Saudi Arabia's Boeing 747 SP.

Long-range TriStar -500's with RB 211 engines have also been ordered by three operators—British Airways, Delta Air Lines and Pan American World Airways.

Pan Am's order is for 26 aircraft including options—a major success for Lockheed and Rolls-Royce. Saudia experience with the RB 211-524 was an important factor in the Pan Am decision.

Speaking about the airline's
RB.211 engines Capt Ahmed
Matar, Saudia's Deputy Director
General (Operations) says: "We
have been very pleased with the
performance and reliability of the
RB 211 engine in our TriStar -200
airliners. And it is very pleasing
that Saudia's decision to place the
first order for the RB 211-524 has
been followed by orders from so been followed by orders from so many of the world's leading airlines."

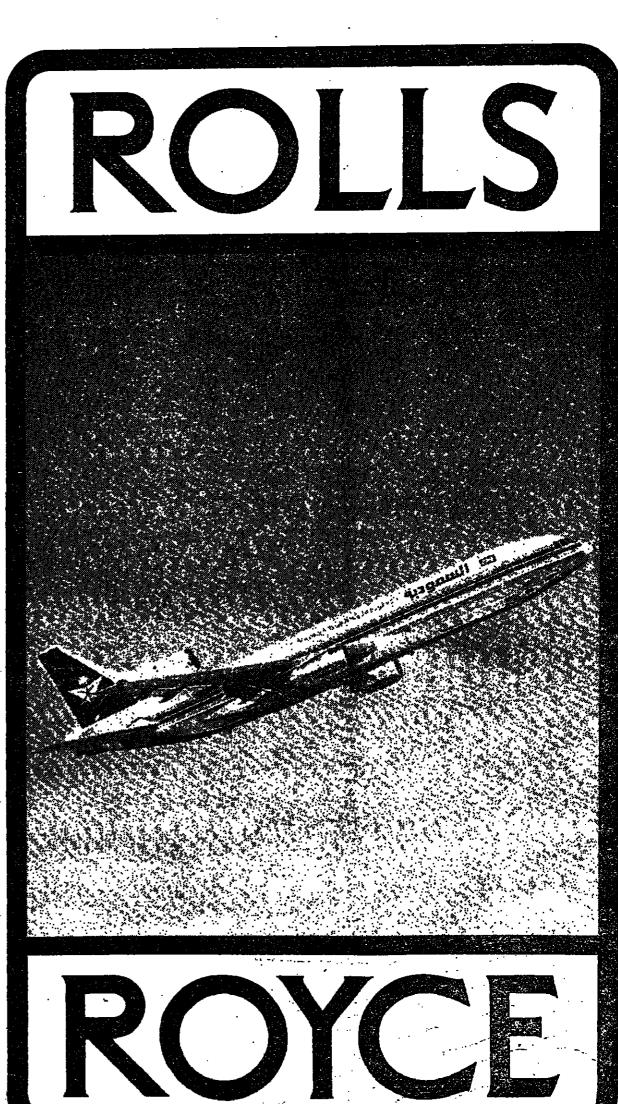
The RB 211 family of engines is being extended further, with planned thrust growth to 55,000 lb. Work is also under way on a lower-thrust version, the 32,000 lb thrust RB 211-535. It is designed for new medium-sized airliners which will enter service in the 1980's.

All over the world: in Concorde at Mach 2; in the warships of 24 navies; in over 10,000 civil and military aircraft; and on oil rigs or in power stations from Alaska to Australia, you won't fail to be aware of the superb technology and world-wide service that ensure our lead in the field of gas turbine engines.

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A rare phenomenon

minor flows between the

ASK YOUR average man in the will be up for grabs in the next placement of tracks laid in the khasba the way to the station. and you may get the same puzzied frown as would crease the brow of citizens in Detroit, Sao Paulo and Auckland.

laissez faire attitude towards environmental nuisance on the roads. This is less true in the Nile valley, perhaps, than in the oil-rich countries around the Arabian Gulf, but even here the passenger train has a poor public

Yet the 1970s have seen a deed, some very large construct much as economic. tion projects, each involving Indeed, in parallel with the Mahgreb countries of Morocco, several hundred miles of route, construction of new lines, re- Algeria and Tunisia.

to 1.600 million dollars annually.

one from Suez in the South.

250 thousand tons in bailast according to their draught.

Number of

vessels

16.994 20,125

60,553

Suez Canal Development Project:

costs 1,000 million dollars.

S.C.A. Research Centre

S.C.A. Two Shipyards:

out for its modernisation.

S.C.A. Affiliated Companies:

vessels and to marine circles in the Middle East.

hour and 1.800 cubic metres/hour.

Electronic ship Traffic Management:

Number of sign:d stations being 11 along the waterway.

is scheduled to be accomplished by the beginning of 1980.

Auxiliary Services:

Transit of ships:

Period

1976

1977

October

countries, thanks to thinlydefined at this stage, would see replaced populations and a Egypt linked to the Sudan and a (1.435mm) gauge tracks, partly line from the Nile to the so as to unify national networks Red Sea.

thing in common: they are trains. moved in large tonnages over are the largest and most imlong distances through inhospit- portant networks, although able country. Gone are the days Algeria is not far behand with of lightly-laid development rail- 2,400 miles. remarkable upsurge in rail ways thrown down as quickly geography as well as differences expansion and investment which as possible for reasons that of gauge and politics currently shows no sign of abating. In- were political and military as limit international rail traffic to

SUEZ CANAL AUTHORITY

FUTURE PROSPECTS OF

THE SUEZ CANAL

-The Sucz Canal is the shortest navigable route between the Eastern and Western

-It saves from 17% to 60% in distance between East and West and from 50% to 76%

-The closure of the Canal led to a loss of 1,700 million dollars annually for the

-Resumption of traffic in the Canal led to a surplus for shipping companies amounting

-Length of the Canal: 173 kms.-Breadth between buoys: 110 m. Maximum permissible

-Best Canal for easy and safe traffic, and it is liable to be widened and deepened when

-Ships transit the Canal in three convoys daily; two from Port-Said in the North and

-Pilotage of ships is compulsory and four pilots are successively credited with piloting

each ship from the first lightbuoy of the entry port till the lightbuoy of the exit port.—Ships up to 60 thousand tons are allowed to transit the Canal fully loaded and up to

Evolution of Traffic in the Canal

million

665,274

First Stage aims at allowing tankers up to 150 thousand tons to transit fully loaded

and up to 300 thousand tons in ballast. Execution started in November, 1975, and the following has been accomplished.

-Cost of the first stage being 1,200 million dollars and it will be accomplished by mid

Work is being carried out in 133 working sites by 10,000 workmen both Egyptians and foreigners belonging to 27 Egyptian and foreign companies.

Following execution of this stage, Canal annual revenue is expected to reach 800 million

Second Stage aims at allowing tankers up to 260,000 tons to transit fully loaded and

-lls execution starts after accomplishment of the first stage and takes three years and

-Number of S.C.A. pilots being 289.

-Number of S.C.A. tugs being 26 of a capacity varying between 1,600 h.p. and 6,400 h.p.

-Number of S.C.A. dredgers being 14 of a capacity varying between 200 cubic metres/

The Authority contracted with the American "Cutter Hammer" group of companies for the establishment of an electronic ship traffic management system in the Canal. It includes T.V. screens, radar stations and a "lauran C" communications net. The project

It is located in Ismailia wherein studies are conducted in its various laboratories for developing the Canal and for the protection of coasts and breakwaters.

floating dock and a dry dock where vessels and different floating craft are being required. A plan costine 60 million dollars is now underway for its development.

Gulf of Suez are being repaired. A plan costing 15 million dollars is now being carried

They embarked on creating joint ventures with foreign companies with capital estimated at 4 million dollars. A plan costing 35 million dollars for their development is

The first, in Port Said, where vessels up to 12,000 tons are built. It acquires a

The second, in Suez, where small floating craft are built and vessels operating in the

They are seven companies with different activities extending services to transiting

83%, of decantation basins; volume of work being 11 million cubic metres. 66% of building new revelments; volume of work 141 kilometres.

-Following its execution, Canal annual revenues will reach 1,200 million dollars.

63% of removing old revetments; volume of work 131 kilometres.

39% of dredging works; volume of work 559 million cubic metre

average

513

dollars

106 382 466

Daily

average

early years of the century is in gauge favoured by British mili- design a 127 mile coastal line Libya is pushing ahead with prospect—often on a completely tary engineers, who built the studies embracing 750 miles of new alignment to ease curves first line. This has not been a route, while Algeria has Cana- and gradients so as to cut the major handicap up to now, but dian Pacific Rallway engineers cost per ton-mile in terms of it will become so on completion surveying a line stretching deep fuel and motive power required. of the 310 mile link now being into the Sahara almost 1,000 In some cases, such as Algeria surveyed to connect Egypt's rare phenomenon in most Arab miles from the Mediterranean and Tunisia, lines laid to the southern railhead at Aswan with Wadi Halfa in Sudan, for Egypt is standard gauge.

This is only one of several new lines planned or under construction in Egypt, although but also to permit more econo-All these schemes have one mic operation with heavier most of the considerable funds allocated to railways are going geared to a rapidly rising de Egypt and Sudan, each with into modernisation—particularly mand for bulk freight to be nearly 3,000 miles of railway, signalling to increase line capacity. Iron ore is the attraction at the Bahariya Oasis, to which point a 200 mile line has recently been completed from steelworks at Helwan in the Unfortunately,

southern suburbs of Cairo. Last year three new lines were announced: two are relatively short, but the third is 370 miles long connecting Qena on the Nile with the Red Sea at Safaga. Here the prize is phosphates.

Obiectives

Sudan also has plans for expanding its railways, but with different objectives in view. This vast but under-developed land offers better prospects for a major increase in food production than any other Arab country, and funds are readily forthcoming from the richer Middle East nations because Arab self-sufficiency is considered highly desirable.

This means railways to move fertiliser in and food out. Unfortunately. Sudan's railways are afflicted by problems all too familiar in developing countries. Dieselisation was completed many years ago, but skilled maintenance staff are scarce and spare parts for locomotives seem to be a pet hate of civil servants who dole out foreign exchange. Arrival of 50 new locomotives in 1976 has eased the motive power shortage, but the annual freight haul obstinately refuses to rise above 3m tons although demand is nearer 5m.

Things are now improving, and the critical export corridor between Port Sudan and Haiyo Junction is being doubletracked. More important in the longer term, a staff training college is being established in the railway town of Atbara.

the 1950s; with hardly any populatiton outside the reach of coastal shipping, there seemed little cause to lament their passing. Yet the past 12 months have seen important contracts handed out to consultants for the design of routes which intended to form a national network.

Moit, Hay and Anderson were appointed by the Libyan

from Tripoli to Misratah, Here it will join a 500-mile line surveyed by Yugoslav consultants to bring iron ore from Brach and Sabhah in the south to a new steelworks complex near

All this activity next door has caused the Tunisian National Railways to look again at its lightly-laid 1000mm gauge network south of Tunis. The plan is to convert the coastal line to 1435mm gauge, ultimately providing a standardgauge route from Morocco right through into Libya.

Phosphates also provide an incentive to improve rail communications between mines inland and the processing plant at Gabes on the coast, but it is not clear how a relatively poor country like Turisia is to finance the gauge standardisation needed to unify its northern and southern net-The Libyans have works. offered to fund the standard gauge line to Tunis so as to connect up with their own network, but this still leaves about 700 miles of 1000mm gauge route to be dealt with.

Algeria and Morocco both have well-developed rail networks with ambitious plans to extend southwards into the desert. Steel and phosphates again provide the incentive.

Algeria's industrial development is concentrated in the north-east, where a new line is planned from Tebessa to Ouled-Rhamoun-in part replacing a narrow-gauge route. But the really major task in view is a new line nearly 1000 miles long reaching out to Gara Diebilet in the far west where there are phosphate deposits close to the disputed borders Mauritania and Morocco.

Phosphates provide the incentive for several major projects involving electrification, trackdoubling and new lines within Morocco, but even in 1978 rail still has a role to play in international politics. Having recently taken over a substantial chunk of the former Spanish Sahara by occupation, Morocco now plans to lay track 400 miles south of the present terminus at Marrakech to reach Lasyoun, thus securing an economic grip The last of Libya's railways on assets which both Algeria anished beneath the sand in and Mauritania would like to acquire.

> Economic analysis may abort this ambitious project, but the spirit of Berlin-Baghdad and Cairo-to-the-Cape still lingers. Indeed at the African Union of Railways Congress in Abidjan last August, there was a call for a north-south Trans-Sahara link, no less!

Akashat, and to distribute the

mineral deposits is a major

factor in the current spate of

railway construction-and plans

for railway construction-

lines. British consultant Hender-

completed a study for a 700 km

line from Baghdad to Um Qasr,

with a branch line from Kut

Baghdad to Erbil, via Kirkuk,

have been made by Trevor

association with Transmark and

likely to be built to much higher

standards than any existing

Middle East railways, It will

have a design speed of

Crocker and Partners.

Maxwell Stamp Associates.

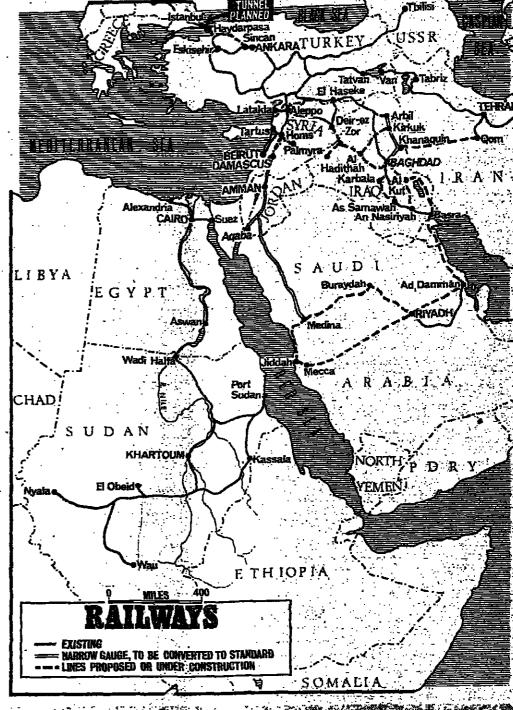
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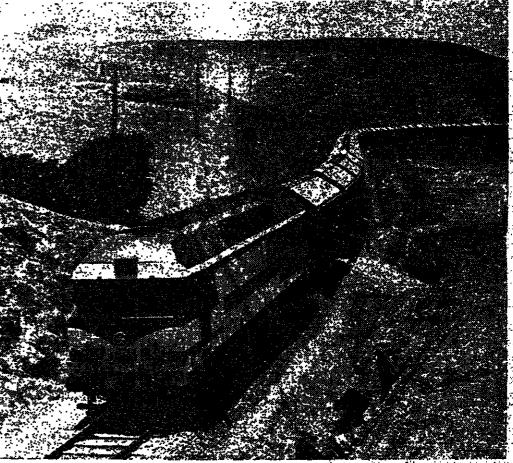
tonnes.

throughout the Arab world.

fertilizer.

I.H.





A phosphate train in Morocco. More railways are to be built as new mineral deposits are tapped

Railways in Arab Asia

Playing a bigger part

RESTORATION OF rail services dinars. between Syria and Iraq - one states - has brought relief to to move fast on this project. State Railways, to Akashat is at the centre of huge western shippers who had been phosphate deposits, and a major obliged to send cargoes to fertiliser complex is nearing

Basra, via the Gulf and not least completion at Al-Qaim, near to Iraqi Republic Railways Husaibah. Syria closed the border crossing unilaterally on November transport facilities will have to 18 last year, thus cutting the rail link between Turkey and

Iraq which crosses Syria. Since

then, by agreement with the Turkish Government, IRR had been sending fleets of heavy lorries to the Turkish border at Nusaybin to pick up consignments from Europe and Turkey. IRR's president, Mr. Khalid Abdul Halim, told me earlier this year: "It is inconvenient, and it is costly, but it works." Revival of rail traffic and renewal of political accord could lead the governments of Syria and Iraq to look again at project which had been put into cold storage: the construc-

between the two countries further south, at Abou-Kamal, The new line would run down the Deir-es-Zor, on the existing Syrian line from Aleppo-to Kamishli. On the Iraqı side, the connection would run up from Baghdad to Husaibah, and then directly on to the border

tion of a second rail link

Iraq has already decided to line to Akashat. A \$1.2bn contract for the construction of the Maximum axle load will be 24 line was awarded to the Brazilian company Mendes Junior Internacional last month. Work are likely to be supplied from is to begin next year. Payment a new factory on the outskirts goods traffic. will be 75 per cent in U.S. of Baghdad. Designed and built But even with this in mind, dollars and 25 per cent in Iraqi by Dow-Mac, it was opened in the Saudi Government Railroad

May this year.

In spite of the problems of tangible result of lost month's financing the work, the Iraqi of transport investment for the reconciliation between the two Government has little choice but next ten years will be on railways. When the state was created it had four isolated stretches of railway which joined up through Lebanon or Turkey. A new line was built linking Aleppo with Latakia, while Tartous was reconnected If this investment is not to to Homs. The Latakia line was be written off, then adequate then extended eastwards to Kamishli, giving Syria a direct be provided relatively quickly to haul rock phosphate from link to Iraq without passing

through Turkey. Now two new routes are being built with Soviet assistance. The need to exploit existing One from Homs through Mehine to Damascus will provide the first direct rail link between Aleppo and the capital (the existing line runs partly through Lebanon). The other Iraq itself has plans for will run from Mehine northseveral other standard-gauge west to Palmyra, where there son Hughes and Busby has are phosphate deposits. Also under study is a 90 km Mediterranean coastal route linking Tartous, Banias, Jabla and to Margil. And preliminary studies for a 420 km line from

The Beirut-Damascus line has been wrecked in the civil war in Lebanon and its reconstruction is unlikely.

Although railways have so far played only a minor part in Saudi Arabia's transport pattern, there are signs that this may change over the next The new line to Husaibah is decade.

Earlier this year an Italian company was commissioned to design a new high-speed line between the port of Dammam build the 404km line to 250 kph, minimum curve and Riyadh, the Saudi capital. Husaibah, with a 155km branch radius of 3,600 m and a maxi. Construction of a line to take mum gradient of 0.5 per cent. passenger trains at speeds up to 200 km/h would speed up communication between the two Concrete sleepers for the line cities and leave the existing 580 km single-track line free for

renewing 245 km of track. And British consultants Atkins Henderson have a contract to provide a feasibility study and design for a 100 km line from Dammam to the Jubail industrial zone. The study will also

provide for a rail link to the proposed Eastern Province airport. Reconstruction of the pilgrim Hedjaz Railway from Jordan to Medina in Saudi Arabia is aproject which has been begun and dropped several times in the past 20 years.

An attempt to restore the line ten years ago faltered and

Organisation is spending heavily was finally abandoned when pil-In Syria, too, the main weight on upgrading the existing track, grims to Mecca used the un-Next year, for example, more finished railbed as a new desert. than £46m will be spent on road. Now bids from eight countries are being considered in-one more attempt to rebuild the line which T.-E. Lawrence. destroyed in the first world war. 27.27.3

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Y-115

In Jordan itself a major track upgrading project is to begin soon. The aim: to make the route north of El Hasa suitable for hauling heavy loads of phos-phate rock from the deposits at Menzil. The 125 km line from. Menzil north to Amman is also to be upgraded.

John Levett Editor, International Railway

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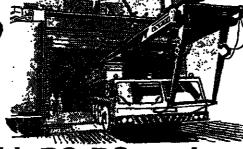
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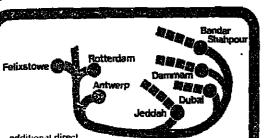
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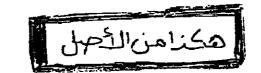
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Road construction

Still a major priority

the Arab world since 1973 in direction to Asia also in the ing carried out in a more of Saudi Arabia. improving domestic and inter- process of being raised to densely developed and heavily The scheme, national road links. For most twentieth century standards. populated area. costed at over 5 economies in the Middle East, the development and updating constructed run across some of of poor or non-existent the most difficult and inhospitof poor or non-existent infrastructure has been the infrastructure has been the able regions on earth, a factor number one priority and roads which has not necessarily prehave been top of the list. Their efforts are now paying off.

throughout the region fluctuate difficult, time-co as attempts are made to assess often dangerous exercise. the impact on transport requirements of the new generation of air links and port developments. But most Middle East countries continue to press on with amibitious plans to improve their internal road network and the standard of communications with neighbouring

Several countries can already claim to have made substantial, builders have in most cases been improvements to their highway: networks and the nature of the plant and equipment and to terrain and scale of distances often involved has provided engineers with some daunting challenges.

The results of their

Many of the routes now being vented road links from being established and maintained in Forecasts of the future the past but one which has made volume of road freight traffic the transport of goods a costly.

lested

Extreme weather conditions have tested civil engineering teams and construction techniques to the limit and the huge mobilisation programmes involved have placed at least some contracts in jeopardy. Road forced to supply all their own organise the transportation of basic road making materials from wherever they have been available.

Perhaps a major compensaendeavours have, however, been tion has been the speed with dramatic, with domestic routes which projects can progress taking shape, overland haulage once routes have been settled links between the Middle East and contracts signed, with few

the Gulf are drawn from Europe notably from Britain, Greece, Taiwan and South Korea. They are engaged on schemes which lief roads for urban centres now generating volumes of local traffic unthought of a decade ago to 1,000 km stretches of motorway designed to link two previously unconnected areas and help stimulated economic development in previously dor-

One of the major projects involves the construction of the trans-Saharan highway, running through the desert via In Salah unpaved routes. and Tumanrasset to Niger, with route, which will revolutionise plan, which involves extensive transport to west and central

mant regions.

Africa, is due soon to become fully operational.

VAST AMOUNTS of capital and Europe rapidly improving of the delays which invariably road in the shape of a causeway standards of existing links have been employed throughout and connections in the other arise when a road scheme is be- linking Bahrain to the cast coast while the development of new

scheme, provisionally costed at over £400m, will be Road contractors working in financed by the Saudis and will connect the Saudi road system from near Al Khobar across West Germany and Italy—and Umm an Nasan island to from the Far East, including Bahrain. It is unlikely that contracts will be awarded yet and the earliest suggested comrange from the provision of re- pletion date so far available is the mid-1980s. The scheme has become immersed in political debate centreing on the effects of such a link on both countries. whose cultures and life-styles differ widely.

Among other Gulf nations, Saudi Arabia and Oman face the similar task of connecting large areas of inhospitable country and, despite their development programmes, will nearly 800 km from Algiers continue to rely heavily on

In Saudi Arabia, no less than a branch to Mali. The first £2bn has been allocated for the section opened in 1973 and the current highway development road networks throughout the country. By 1976, the country had 22,000 km of roads, though By contrast, a much shorter nearly one third of them were though equally challenging and unpaved. A substantial propor- portation infrastructure, prosignificant project involves the 110n of the resources allocated gress has been rapid since 1970. construction of just 25 km of will be devoted to raising the

Much of the Saudis' attention will be centred on improving links in their castern province. The region is linked to the remainder of the nation and neighbouring countries by single carriageway roads north to the Trans-Arabian Pipeline, west to Riyadh and south via Hofuf and Salwa to the Oatar network. A new route is under construction which connects the TAP pipeline road to Hofuf and then south and further highway improvement work is being carried out on the Dharran-Riyadh road.

Elsewhere in the country a £130m scheme is under way to improve the route between Mazaleef and Majarda and contracts worth £185m are in hand to construct a highway between Jouf abd Qaliba, Work on the Mecca-Jizan road, valued at £66m, is due for completion

In Oman, which is investing over 30 per cent of its total budget in the provision of trans-

existing links few kilometres of paved road. By the end of 1976 over 1,500 km of road had been paved, however, with another 8,500 km graded. Work on new highway schemes in the near future is likely to be concentrated in the Dhofar region to the south where investment in roads will be linked to the development of government

centres throughout the region. Much of the road developthe neighbouring United Arab Emirates is completed, though the extension of the Abu Dhabi-Dubai-Sharjah dual carriageway to Ras al Khaimah means that a major route now provides a link along the whole coastal strip. Like the other smaller Gulf countries, such as Qatar, Bahrain and Kuwait, the UAE has heen able to pave almost all its main road networks and is embarking on the upgrading of many of the existing routes to

With many major links throughout the Gulf yet to be connected up, older highways to be improved and maintenance programmes to be established, substantial expenditure on the region's roads is set to continue.

dual-carriageway standards.

Michael Cassell

Road haulage

Long-term confidence

collapse of shipping rates last year the economics of much international haulage activity to

The chief certainty is the haulier's confidence in the basic supremacy of his mode when it comes to reliability and security Transit taxes, which began to But the big question governing even into Austria. the extent of this long-distance. They now account for 20 per overland operation is how much cent of a lorry's costs on a run ping lines are benefiting even

say, Iraq for under \$4,000. local currency at the entry point for haulage in the future will overland rate for an equivalent size of trailer. Where the shipping line offers door to-door cope with the continued shortservice using either its own or age of transit permits in subcontracted haulage in European countries—a shortage Europe and in the Gulf, the which results in many lorries differential can be almost as making the journey from Gergreat, because of the scale of many to Yugoslavia on board a competition holding down the railway wagon. shipping lines' intermodal

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ROAD HAULAGE TO ALL

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an easy business, but with the Middle East believe are neces- countries. sary.

Even assuming that this happens, hauliers face enormous the region has been quite simply difficulties. Although most of

of goods. There is no doubt that emerge as a serious problem in cluded except in some cases of for some premium cargoes, 1974, have now reached customers will continue to be epidemic proportions, spreading prepared to pay for direct over-through Jordan, Syria, Saudi land services for this reason. Arabia, Turkey, Yugoslavia and

extra the shipper will have to from Europe to the UAE, with taxes in excess of £1,000 a At the moment the gap is vehicle. Hauliers have also to enormous. A loaded 40 ft conface another range of financial tainer can be moved by sea from penalties, such as the Turkish the north of the Continent to, requirement to buy \$300 of

These conditions brought a long bowl of protest It is difficult to predict when from the Geneva-based Interburdened from the port con- Austrian levy, have been

the Arab world has never been tariffs most operators to the for vehicles from their own and outside the Arab world, to

Even so, the IRU counted 350 vehicles a day in a census at the vity will be the intermodal ser-Turkish border point of Kapidestroyed.

More tran a year later, the learned to deal with the physical trucking indicates has been less easy for them to discuss the surviving operators and traffic has fallen much since.

Precise figures are difficult to obtain, but Iraq still relies on developments and to assess what bureaucracy and scattered its permanent role in light be maintenance facilities, it has cent of its imports and known to discuss the surviving operators and to assess what bureaucracy and scattered when, eventually, the swings of been less easy for them to offset between 10 and 20 per cent.

Direct overland transport to learn the impact of training taxes and light be proposed fine to put together a shipping connection and local land transport for almost 10 per continuous the advantages of employing the impact of training taxes and light be proposed fine to put together a shipping connection and local land transport to the advantages of employing the impact of training taxes and local series or by forwarders able to put together a shipping connection and local land transport to light be advantages of employing the impact of training taxes and local series or by forwarders able to put together a shipping connection and local land transport to light be advantages of employing the impact of training taxes and local series or by forwarders able to put together a shipping connection and local land transport for almost 10 per contract to put together a shipping connection and local land transport to put together a shipping connection and local land transport to put together a shipping connection and local land transport to put together a shipping connection and local land transport to put together a shipping connection and local land transport to put together a shipping connection and local land transport to put together a shipping connection and local land transport to put together a shipping connection and transport to put together a shipping connection and transport together a shipping connection and transport together a shipping kule earlier this year and it is undersupply and oversupply in the impact of transit taxes and Direct overland transport to local especially Turkish, haultransport to the Middle East competition from East European Saudi Arabia is now negligible iers for their Middle East disbecome less violent.

Les distances of campioning to the authors of transport to local especially Turkish, haultransport to the Middle East disbecome less violent.

Les distances of campioning to the authors of transport to local especially Turkish, haultransport to the Middle East disbecome less violent.

Les distances of transport to local especially Turkish, haultransport to the Middle East disbecome less violent. overland operations are exemergency by the lack of hard

surface road to Qatar. Roads are of course being improved and extended throughout the Arab world, but as these projects benefit hauliers, shipmore rapidly from the mushrooming of modern port facilities and purpose-built transhipment zones, such as Sharjah in

the UAE. Indeed it now seems certain

increase in shipping bilateral deals to reduce taxes trucking to Iraq, Syria, Jordan Iran.

A much greater scale of activices offered either by the shipping lines with their own Arabcellence of unitised sea links petitive labour costs and the value of drivers' local Know Arab Emirates, long-distance ledge in overcoming difficulties. between the revitalised ports

the Dutch haulier Koops, use ern Mediterranean. bank guarantee requirement.

in Iraq, where road transport has been nationalised. The business is bound, how-

ever, to become increasingly specialised and capital-intensive. because of the growing pace of containerisation mixed with a continued requirement for heavy lift work associated with major capital projects. This should favour the bigger operators. Forecasting future balances between container, roll-on roll-off and conventional break bulk traffic remains, however, a

Much also depends upon the outcome of what looks like be-This is standard practice for in the Gulf and Red Sea, and the various operators serving of the future of Beirut, which Black Sea ports but some direct was once an important road overland operators, such as distribution point for the East-

Turkish drivers for all their Kuwait's Shuwaikh container Middle East business. Turks terminal, for example, be an are also exempted from Iraq's attractive distribution point for Iraq? Will Sharjah take a lead-Within Arab States, the de- ing transhipment role for the velopment in the road haulage whole area between the Gulf industry has followed closely and the Red Sea? It is too early the European pattern, with a to say, but transport businesses handful of large companies will be made and unmade operating more than 50 vehicles according to the accuracy with

force, penetrating through Turkey and the Soviet Union and fanning out through the Arab world's expanding rail network.

Slower

For the North African Arab countries, the cycles have been less dramatic because of the slower pace of changes and because even a poor country like Egypt has relatively good roads. Attempts, however, to use Mediterranean ro-ro services and road transits through Algeria to serve Nigeria have not been conspicuously successful, with the recent bankruptcy of one of the few operators on this route. Completion of the trans-Sahara highway will clearly improve the possibilities,

but probably not dramatically. The unknowns greatly outnumber the knowns for longdistance haulage to the Arab world. Clearly, with Sucz open and the ports working well. ships will continue to come out top on price but there is still a hard core of hauliers with hard-won experience in the trades who will provide permanent competition in the movement of perishable and premium goods.

Shipping agents

Reducing the delays

gestion problems which led to reduced following EEC pres- in the Gulf and Red Sea areas. the overland boom in 1975-76, sure Some Governments have and at mid-year a further 40 will lead to the 20 to 30 per also had success in securing companies were operating container or roll-on, roll-off services. The routes involved to the Gulf and Red Sea range from Japan, Singapore, and India to the UK. the Continent and the U.S., and the total seaborne imports into the Gulf and Red Sea ports in 1977 exceeded 50m tonnes. If the commodities traditionally carried by tramp shipping are ignored, it is estimated that the total liner traffic in 1977 accounted for about 30m tonnes.

While it is correct to identify the continuing high levels of imports into the area as the key factor in the very heavy traffic density, the work of the vital agency companies in the ports of the Gulf and Red Sea ensures that delays are reduced to a

For some agents the provision of a wide range of services is only the basic operation, and several Arab states have appointed companies to operate cargo terminals. The container terminal at the port of Khor Fakkan is the latest example of such an arrangement, where Marine Transport International has been awarded the contract to manage and operate the container port, M.T.I. already operates the container terminal at Jeddah.

wholly-owned subsidiary of Guif, the contact being made at Seatrain Lines of the U.S. has any position along the 55th responsibility for overall man. Meridian. The company's supply agement of Port Khalid and vessels are supplemented by the and Gulf, and three companies, Khor Fakkan in the Emirate helicopter services, and in Muttrah

general cargo services to ports. Arab ports were introduced the faced with the problem of agency in the area, was able to supply a fleet of barges and tugs for moving the equipment part in the reorganisation of the company's management extribution to reducing congestion. The company is also inat the new port of Ras al Khaimah. In Saudi Arabia at Damman

the Gulf, Port Management Services, a group which includes Scruttons of London and the Mersey Dock and Harbour Company, operates a consultance/ management project in which Saudi trainees work alongside their British counterparts in the management role. This year Damman completes its 28th berth and expects to handle 28m dwt of cargo.

One of the leading agency companies operating in the Middle East is the Gulf Agency Company, with offices in five major ports in the Gulf area. Port Management Services, a ships entering or leaving the services to the airport. addition to arranging drydock- United Shipping Agencies, Culf

Extensive facilities are proconstruction companies were vided by one of the most experienced agents in the Gulf. Yusuf paints, ropes, air compressors zie has also played an important of the International Paint Company, which manufactures, sup-Port Rashid (at Dubai), where plies and applies marine paints. Associated companies of Kanoo craft at Dhahran and Bahrain. Comprehensive slipway and volved in management services marine workshop facilities are provided by yet another Kanoo company the Bahrain Ship Repairing and Engineering Company, which also carries out repairs affoat using mobile repair squads.

Based in Montreal, the Canadian company Scandia Shipping Agencies has established associated offices in Saudi Arabia, through the Saudi Maritime Company, and in the United Arab Emirates their agent is the Solinmar Shipping Company. Within the Middle East Area

there are over 100 national agencies, such as the National Shipping Agency at Bahrain. which does all the important jobs for the shipowner, changing his crews (and repatriating GAC at Dubai operates a round- them), delivering mail and the-clock all weather service to stores and supplying courier

> The tendency is for agents to concentrate on the lines operating between the UK/Continent Shipping agency,

this ferocity of competition national Road Transport Union NEARLY 50 shipping companies When the major projects for ing and repair facilities GAC Agency Company and Modern from sea transport, now un and some taxes, including the now provide conventional the large-scale development of also organises heavy lifts. Eurarabian Line which links Northern Europe with the Gulf.

> Almost parallelling the sharp moving vast quantities of Bin Ahmed Kanoo, where, in increase in the number of material into position, and Gray addition to the usual services, vessels serving the Middle East Mackenzie, a member of the Kanoo maintains stocks for is the growth of drydocks and Inchcape Group and a major certain manufacturers for a marine engineering facilities. At of items including the end of last year the new ship repair complex of the Arab Ship and electric generating sets. Repair Yard (ASRY) was in from ship to site. Gray Macken- Kanoo is an associate company operation and by September this year more than 100 vessels had used the facility. The giant ASRY drydock is at present managed under contract by the pertise made an important con- act as handling agents for air- successful Lisnave shiprepair group of Portugal. A second drydock is scheduled to become operational at Bahrain in 1981. Three other major repair projects are scheduled to become operational in the next three years. These are the very large three-drydock complex at Dubai (due to be finished early next year), the two VLCC drydocks and floating dock at Bandar Abbas in Iran in 1982 and a facility for vessels of up to 35,000 dwt at Shuwaikh, the port of Kuwait.

Ship and machinery repairs are handled by the Gray Mackenzie-owned Bahrain Slipway Company, where vessels of up to 1,000 dwt can be slipped and repairs carried out affoat on larger vessels. Reference has already been made to the associated company of the Kanoo Group, the Bahrain Ship Repairing and Engineering Company. which also carries out repairs to

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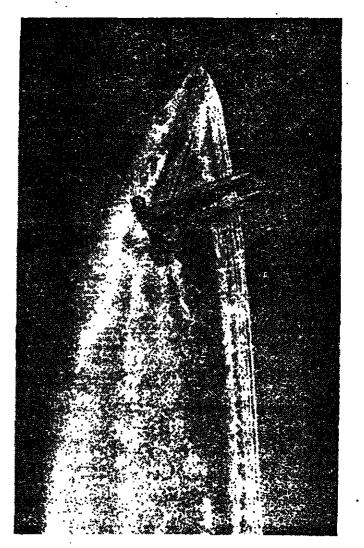
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New emphasis on domestic services

THE MIDDLE EAST is now one Aviation Organisation. It lists that it will continue at least for has frequently suggested the of the busiest, and certainly among its members 18 airlines, the immediate future. the most rapidly expanding, air including Air Algerie, Air transport region in the world. Mauretanie, Alia of Jordan, Statistics issued by the Inter- Alyeinda of Yemen, Egyptair; national Air Transport Associa- Gult Air, Iraqi Airways, Kuwait tion show that between now Airwaya, Libyan Arab, Middle and 1983, the rate of traffic East Airlines, Royal Air Maroc, growth for scheduled pas- Saudia of Saudi Arabia, Syrian sengers alone in the Middle Arab, Somali Airlines, Sudan East region-mainly the Arab Airways, Trans Mediterranean world-is likely to exceed 14 Airways (an all-cargo carrier), per cent, compared with the Tunis Air and Yemen Airways. average annual growth rate for the world as a whole of about 8.9 per cent, while for cargo the expansion is expected to be approaching the same volume.

This growth is due to several factors. The first inevitably is to the fact that the acroplane itself is increasingly seen to be not only an instrument of economic growth, but also of sociological development. In many parts of the Middle East. roads and railways either do not exist, or at best are limited, and the acroplane is often the only means of opening up large areas of territory for subsequent development.

Arab world, the emphasis is as booms has made the Middle much upon the development of East its own bailiwick, with domestic air services as on the over low or its aircrait spread development of international through the airlines in the links, and on the creation of AACU. fleets that not only include such major long-distance types as the Boeing 747 Jumbo jet, but also much smaller aircraft like the turbo-prop Fokker F-27 twinengined airliner, down to Beech, Cessna and Piper light aircraft, for executive travel and communications work (the growth of private aviation in the Middle East area, while rapid, is still subordinated to the development of airline operations themselves).

Expansion

The expansion in civil aviation throughout the area is reflected in the growth of activity at the airports in the region. Figures prepared by the Arab Carriers Organisation (AACO), listing 18 major scheduled airlines among its members, shows that in 1977; the airports throughout the transport performance — repre-region handled over 15m passenting a 27.5 per cent growth more than in the previous year.

expected to grow by the same operations, a rise of 25.8 per amount again, and could come cent. to 20m passengers. Virtually every airport throughout the region shared in the expansion, the only major exception being Beirut, which in 1977 was still struggling back after the civil war of 1976, which virtually wiped out tourism to the Lebanon and seriously disrupted business traffic. The further strife in 1978 has severely hampered a return to normal air travel conditions, but Middle East Air-I lines reports that it has been able to maintain a substantial number of its services, and is fighting back determinedly.

The Arab Air Carriers Organisation is the principal international authority concerned with air transport affairs in the Middle East. While many its members are also to unify the approaches to all such as the International Civil peated, and all the signs are

Between them, these airlines own a fleet of over 190 jet airliners of various types, with at least another 20 on lease. The fleet includes more than 10 Boeing 747 Jumbo jets, 15 Lockheed ariStars and two European the growth of the oil wealth in Airbuses, among the wide-the Middle East in the past few bodies. These long-range jets years, which is stimulating in are supplemented by a flect of turn an unprecedented economic over 54 Boeing 70 is and 21 expansion. But it is also due Boeing 720s.

Regional

But the intensely regional nature of air madepost operations tarougnous the missie hast, a very large number of snort-ham routes, is mustrated of them non-stop, with late by the very high proportion of snorten-meaning range jets in to doverall with incoming the neer-over 50 bosing ides Hights from Europe, the U.S. and to Boeing iles. in fact, the and inside the UK. Thus, in many parts of the neer list snows clearly now rat

> In addition to the jets, the AACO members' fleets also crose to 60 pistonmetude engined and turbo-prop air-liners of various kinds, including a large number (35) of Fosker F-2: twin-engined turboprop airliners (again indicating short-haul, low-density trailic nature of many of the internal operations inside the Arab world). It is also still possible to find a few DC-3 pistonengined airliners, and a few turno-prop Viscounts, but these are ageing and it is not likely to be long before they disappear trom the ficets entirely.

Another indication of the expansion that is taking place in Middle East air travel is the fact that in 1977 the 14 largest members of the AACO collectively produced over 5.36bn " available tonne-km" - one of the basic units of measurement of air sengers, or over 17 per cent on the preceding year. Of these, no fewer than 4.81bn available For 1978, the figure is tonne-km were on international

> Biggest of all the Arab airlines in the passenger field is preceding year. Of this, about side Saudi Arabia, where the volume of around airline's activity grew by 58.3 per cent.

The extent of Middle East Airline's recovery last year from the setback caused by the civil war in Lebanon is reflected in the fact that it achieved an expansion of over 112.17 per cent to 360m ATKMs.

All the major airlines throughmembers of the wider Inter, out the region showed growth national Air Transport Associa- last year, but the pattern was tion, the AACO itself is par- mixed, with only a small expanticularly concerned with trying sion being shown by Sudan Airways, and small declines in the air transport activities through- cases of Syrian Arab and TMA. out the region, acting as a Preliminary estimates for the consensus of views on such current year indicate that this matters in discussions with pattern of strong growth with governments, airlines and other only minor exceptions through-

This optimism is reflected in

both the expansionist nature of the airlines themselves, through their aggressive route policies, and through their re-equipment plans. Virtually every airline in the region has in the past few years extended its route network, especially on an international hasis, either within the Middle East itself or on longerrange routes linking major cities in the region with Western Europe, South-East Asia, the Far East and North America.

So far as the long-range routes are concerned, these expansion plans are being based on the use of the Boeing 747 Jumbo jet and the Lockheed TriStar. So far, five airlines in the region (Saudia, Syrian Arab, Alia, Iraqi and Kuwait) have acquired 747s, while two (Saudia and Gulf Air), have acquired TriStars. Saudia now operates all its 13 flights a week between London and the Kingdom by TriStars or 747s, seven morning departures every day

Gulf Air operates nine flights weekly from London to the Gulf, all non-stop, using Tri-Stars, while Kuwait Airways recently introduced its "businessman's Jumbo," with three llights weekly between London, Cairo and Kuwait, plus one direct flight to Kuwait, with onward connections to Abu Dhabi-Dubai and Bombay.

At present, no Arab airline also operates Concorde, and the only services into the area are those by British Airways to and from Bahrain. Eventualy, some time in 1979, BA is hoping to be able to resume its onward Concorde seat 767, a direct competitor for flights between Bahrain and the A-310, and also with its Singapore, which will open a smaller 757, a 180-200 seat new opportunity for Concorde narrow-bodied jet, which is from Singapore into the Far powered by the new Rolls-Royce East and Pacific basin. But the RB-211-535 engine. Thus, with corde cannot be overlooked.

possibility of a supersonic service between Beirut and/or Cairo to New York, using Concorde, travelling supersonically the length of the Mediterranean to the South of France, thence subsonic either to Toulouse or Paris for refuelling (and to pick up more passengers), and then onwards supersonically to New York. The idea has been discussed between a number of Arab airlines this past year. but so far it seems that the Arab carriers are more immediately concerned with seeking rights for direct flights subsonically to New York, with Boeing 747s, before committing

themselves to Concorde. This subsonic operation to New York is of particular interest to Alia of Jordan, and Syrian Air (who already operate a joint service to New York). Kuwait Airways, Middle East Airlines, Saudia and Gulf Air. These carriers earlier this year formed a private committee to study the situation, and dis-covered that there was enough traffic between the Middle East and the U.S. to justify the operation. A formal application to the U.S. on behalf of the group for the service is now under consideration, and it is possible that it could start later in 1979 or in

On the shorter routes, both internationally and domestically, the expansion to date has been built round the Boeing 727 and 737, and this trend seems likely to continue, despite the pressures from Airbus Industrie in Western Europe to win sales for the A-300 Airbus, and now the recently-launched smaller 200-seat A-310 version. But Boeing is well entrenched in the region, and is already making a major sales drive there for sales of its new 200possibility of some Arab air- continued expansion forecast, lines showing interest in Con- and no lack of cash for re-equipment, the Arab market is likely Middle East Airlines itself to see some formidable sales introduction of an increasing meet this situation, by tailoring that air freight to and from

A view of Dubai International Airport

frame and acro-engine manufacestablishing fleet patterns to carry those airlines through the

While passenger transport to, from and within the Arab world on the increase, however, freight shows a different pattern. To some parts of the freight traffic has declined in recent months, for a variety of reasons. Freight traffic by air to and from the Gulf area in particular, for example, has fallen. This is due to changes in economic conditions stemming from the fall in the value of the dollar, which together with a decline in demand for oil as a result of energy conservation schemes in western countries (together with the expansion of North Sea oil supplies), has cut some Arab industrial expansion schemes, charter operators. At the same time, improved port handling capacity, and the however, are already moving to problems, the overall view is

services, have cut demand for the changing pattern of demand. likely to pick up again, and turers in the next year or su, all-cargo dights. Furthermore, IAS, for example, the UK's could return to a high level it competition in the air itself is biggest all-cargo airline, is now is pointed out that throughout increasing, with more UK and seeking increasingly to operate the entire Arab world, despite Continental all-cargo operators its flights directly to the final some cutbacks, the overall itend seeking business, while the destinations required, so as to is still towards development steady growth of the number of eliminate transhipments by and expansion rather than away big jets in the passenger fleets road, although the latter re- from it, and that this will need of major airlines in the area, mains a substantial factor in the a consistently high level of with capacious belly-holds, is air cargo business. But it is imported goods of all kinds for resulting in more traffic being also now promoting its new a long period to come. Even carried by the scheduled air. Skyship service, whereby ship in the industrial countries of lines.

The likelihood of this competion intensifying is acknowoperators flying into the region. shipped at Sharjah on to IAS Some of the major scheduled DCS jets for onward carriage carriers, such as British Air- to Gatwick. IAS says that its ways, while still more expensive market surveys have indicated than the charter operators, are an initial demand for this type understood to be seeking to introduce cheaper bulk commodity rates for cargoes, which could erade the position of the require additional capacity. Some major charter operators,

pers can get the benefit of a the West, with their big seajoint sca-air service through borne trades, there is still scope Sharjah, whereby goods coming for an expanding air freight ledged by some of the charter by sea from India can be tranof service amounting to about 1,000 tonnes a year to the UK alone, with other markets in Europe and Australia likely to

But despite these current

battles between the major air- number of sea-borne container their cargo concepts to meet the Arab world; generally industry, and the same is true of the Arab countries, where air cargo is still comparatively in its infancy. Within the over-all demand, however, the mix between charter operators and scheduled_airlines_may_well. change in the period ahead, and competition within both parts of the aviation sector will

> Michael Donne Aerospace Correspondent

Airports

Steady growth in traffic

20m passengers is possible.

These figures reflect the one dominant fact about air transport throughout the Arab world -that it is expanding at a substantial rate. This is not only because of the growing oil wealth throughout the region, is encouraging interwhich national business travel in both directions, but also because the economic growth stemming internally from this oil wealth is stimulating the expansion on internal air services on a major

The Arab world reflects in fact, more than any other major region of the world, just how far the aeroplane is being used as an instrument of economic civil aviation organisations, out the region has been re- and acciological development. The area is vast, in many parts sparsely inhabited, and centres of population are separated by large areas of inhospitable terrain, through which it is extremely expensive, apart from being physically difficult, to drive roads and railways

While the latter are certainly not being lenored, in many parts of the region it is often quicker and less expensive to develop internal air communicasound Airports glamorous, but they need not be, and indeed in many parts of the world they are not-the most important requirement is a reasonably flat area on which to construct a runway with obstacle-free approaches and to build associated terminal buildings (which, initially at least, can be small) together with aprons and taxi-ways.

This is not to minimise the civil engineering problems involved in airport design, development and construction, which can sometimes be formidable, both for physical terrain and logistical and climatic reasons. But as a result of the vast wealth of technological expertise in airport design, development and construction that is now available in the West, it is possible for any country in the Third World, including Arab countries, to get its own air transport infrastructure reasonably quickly, and without extravagance.

Some of the new airport de-

Saudia, the flag airline of Saudi THROUGHOUT THE Arab velopments in the Middle East, to emerge in the foreseeable countries of the West—the U.S., of the world's major scheduled part of the immediate demand Arabia, which last year pro- world, the major international for example, are costing little future, reflecting the determined Britain, France, West Germany airlines (to which many of the duced no fewer than 1.24bn airports collectively handled more than £2m for a runway, intention of the Kingdom to and Italy and Holland in par- major airflines in the Arab world process of being met and the available tonne-km, representing over 15m passengers in 1977, or with about the same amount for bring itself into the mainstream ticular—have generated almost a 61.4 per cent growth over the over 17 per cent more than in terminal buildings and asso- of bath domestic and inter- a plethora of judividual contract cant force behind the scenes in will be available in the immethe previous year. Estimates for ciated facilities. At the other national civil aviation by the panies or groups capable of 819m ATKMs were produced on 1978 have not yet been prepared end of the scale, however, it is early 1980s. Places in Saudi international operations, a but it seems likely that the possible to spend several hungrowth of 63 per cent, and the expansion will not be less than dred million pounds on a major rest on domestic operations in- last year, so that a total traffic international airport capable of handling millions of passengers

Earmarked

Throughout the Arab world over fibn is already either being spent or is earmarked on a total of more than 60 separate new airport programmes, ranging widely from improvement projects at small airports to the construction of massive new international airports fully equipped to the most modern standards. Among the latter are the development of the new international airport at Rivadh in Saudi Arabia at an estimated cost of £165m. and the new international airport at Jeddah

estimated to cost about £85m. Saudi Arabia accounts indeed for the vast majority of the airport programmes currently to 30), costing in all more than £500m, with several more likely

PORT SAID

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PORT SUDAN

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Arabia at which new runways. new terminal buildings or other strous of its own air transport advice to the airlines and airdevelopments are in progress include Taif, Dhahran, Bisha, quire. Hail, Wejh, Jouf, Khafji, In Qurayat, Turaif, Tabuk, Khamis Mushayt, Qunfundah, Qaisumah and Yanhu

Outside Saudi Arabia there a new £140m airport is being developed), and in Duhai and

formidable amount of comher of airport design, development and construction consortia which have blossomed have already won major throughout the Western world contracts. in recent years in response to the demand. With their already existing reservoirs of talent in among the world's major civil envisaged or under way (close all aspects of airport design and aviation bodies. The Interconstruction, and even opera- national Air Transport Association, the major air transport' tion, the body representing most

RAG

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ASSABÈ

meeting virtually every demand

In Britain, for example, the British Airports Authority, prohably the biggest single airports owner in the world, has linked with International Aeradio, are major programmes en- which already has a vast amount visaged or in progress in of expertise in airport develop-Bahrain, Jordan, Kuwait, Libya, ment and maintenance, to form Oman, Qatar, Abu Dhabi (where British Airports International.

But the competition is already well entrenched. The Paris and Frankfurt airport authorities This actual and potential ex- are already vigorous, and a pansion is inevitably generating number of Dutch, Italian, Brazilian and U.S. consultants and petition among the large num- engineering groups are also involved. Also from Britain itself several major industrial groups

There is also available a substantial amount of expertise

RAS AL KHAIMAH

(PORT RASHID)

KHOR FAKHAN

SEX LANGE

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DUBA

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RAYSUT

(PORT KHALID)

UMM SAID JEBEL ALI

<u>_UAE_./</u>

development of world civil avia- ably less than in the immediate that any emerging nation de- tion, and is available to give past. infrastructure is likely to re- port authorities on technical the minds of most of those taand operational standard.

> In addition, the International aviation technical agency of the UN, not only provides technical assistance but also cash grants domestically and sinter to enable emerging countries to vities in accordance with accepted Western standards of safety and efficiency.

Accepted

The availability of these already accepted and proven standards of airport development and operation ensures that, especially where international operations are concerned, new airports can be integrated swiftly into the existing world air transport system with the minimum of difficulty. Without the existence of these international standards, airport development in the Third World would be much more difficult and expensive — and perhaps even chaotic.

Just how far the expansion of .. airdoct development will go in . the Arab world remains to be. scen. Undoubtedly a substantial.

has already been met on is in already belong) is also a signifi- number of new contracts that ensuring the smooth and orderly diate future may be consider-

But there is little doubt in volved in the business that, provided the economies of the Civil Aviation Organisation, the countries in the Arab world continue to expand, so will the demand for air transport, both develop their civil aviation acti- create a steady demand for new ventures, either in the form of improvements to existing air ports or in the development of

As one consultant has put it "They are starting a long way, behind Western Europe and the U.S. and have a long way to go to catch up. Their populations are expanding and their standards of living are rising. We have seen throughout the world that both these factors are conducive to the develop ment of civil aviation, with all that means in terms of demand: for aircraft, airports, ground services and other facilities. There is no reason to believe that, short of any major difficulties such as befelt the Lehanon, for example, that it will be any different for the res of the Arab world through the

Michael Donne

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industr



אליומטולישלט December 18 1978 Rhodesia's rocky road to black rule

By TONY HAWKINS, Salisbury Correspondent

Rhodesian Front Government the 16 independent black MPs today marks the 16th anniver will ensure that the Bills go sary of its first election victory in December 1962 by starting to abolish all the policies it was originally returned to upbold. In an unprecedented move, Parliament is being recalled a (frequently described in the past by Mr. Smith and his colleagues as "the cornerstone of western Democratic civilisation " in Rhodesia), and to end racial discrimination in schools and hospitals.

By late January, "legisla-

tive " racial discrimination will have been removed from the statute book, and on January 30, the white electorate - now down to not much more than 20,000 voters — will decide at a referendum whether or not to go ahead with the internal settlement of March 3 under which a diluted form of majority rule is to be introduced next April after one-manone-vote elections.

War goes on

ment partners are discussing whites blame the domestic black egislative and constitutional leaders, especially Mr. Sithole change, the war between them and Bishop Muzorewa, who they and the Patriotic Front guerrilla movement is still escalating. Nothing illustrates this more graphically than the guerrilla attack last week on a strategic

Salisbury fuel depot. In theory, both the abolition of racial discrimination and the handover to majority rule can still be frustrated by right wingers within and without Parliament. Some of the legislation to abolish discrimination requires a two-thirds majority in Kissinger Agreement of Septem-

through the House. in theory too, the white electorate can vote against the new constitution (due to be published before Christmas) on January 30, but the process of handing over power to a multiweek before Christmas to handing over power to a multi-abolish the Land Tenure Act racial coalition government has in practice gone too far to be overturned by 80,000 voters. In the very mulikely event of the orate voting against the internal settlement, the tran-sitional government would have no alternative but to ignore the result. Indeed the decision to abolish racial discrimination before the referendum underlines the irreversible nature of the

decisions of March 3. .. Although there is widespread disillusionment among whites as well as blacks with the internal settlement, the likelihood is that Mr. Smith will get his mandate at the referendum, albeit with a low turnout and against a significant "no" vote. Disillusionment with the interim agreement stems from its fallure to achieve any of its stated goals -international recognition, an

end to the war, and the removal But while the internal settle- of economic sanctions. The say, have failed to deliver their side of the bargain—an effective ceasefire and a rundown of the war. For their part, the blacks blame Mr. Smith and his colleagues for pandering to white susceptibilities to such an extent that moderate nationalists are losing support to the extremists in the Patriotic Front of Mr.

Nkomo and Mr. Mugabe. Ever since his public acceptance of majority rule—in the

internal settlement agreement this took the form of insisting that the whites should have 28 reserved seats in the 100member parliament. They will have the power to block any future amendment to the agreement if at least 22 of the white members voted against it. At the same time, it appeared that the whites were not going to be eligible for cabinet rank since the agreement of last March stipulated that the 28 white MPs could not join with a minority party to form a coalimajority black party out of

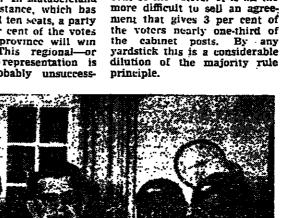
New package

But last month, in a move designed to bolster morale at a time when white emigration had risen to record levels, the transitional Government announced plans to dilute majority rule by establishing a national coalition Government after the elections on April 20. Under this agreement, any party that wins at least five seats in Parliament will be entitled to pro rata cabinet representation. In other words, if Mr. Smith's Rhodesian Front (minus Mr. Smith himself who said this week that he is definitely not standing for Parliament again) wins all 28 white seats, it will be entitled to 28 per cent of the cabinet posts.

Indeed, it is conceivable, though unlikely that the whites leagues. could emerge as the largest single bloc of MPs if the black vote were to be sufficiently fragmented between the half-dozen or so black parties expected to contest the elections. But it is more likely, even despite his nationally has been replaced by visible loss of support in recent a regional system. The 72 black

IAN SMITH'S ruling volt in the lobbies, the votes of retain white confidence. In the United African National Coun- among eight provinces and the

cil will win at least half the 72 proportional representation forblack seats, thereby ensuring mula will apply separately in that the Bishop becomes Prime each province. In Matabeleland Minister and that his party will North, for instance, which has hold the largest number of been allocated ten seats, a party cabinet posts in the coalition. polling 50 per cent of the votes However, it is considered most cast in that province will win unlikely that the Bishop will five seats. This regional-or win the 71 per cent of the black quasi-tribal - representation is votes necessary to give him both designed, probably unsuccess-



cent of the seats to 3 per

Glum faces in Salishury on November 16 as the Executive Council announces revised plans for the handover to black rule. Front row from the left: Chief Jeremiah Chirau. Mr. Ian Smith, Bishop Abel Muzorewa, and the Rev. Ndabaningi Sithole.

a parliamentary majority and a fully, to induce the Ndebele, in cabinet majority. In other words, he could easily find himself in the difficult position of being outvoted in cabinet by his col-

Last month's changes to the package of March 3 have made this more rather than less likely to happen, since the original plan for a proportional represention voting system operated Parliament, but even if some of ber 1976—Mr. Smith has been visible loss of support in recent a regional system. The 72 black Mr. Smith's backbenchers representation with the need to months, that Bishop Muzorewa's seats have been divided up

particular, to cast their votes next April. The argument is that regional representation will ensure that minority tribes, assured of greater parliamentary representation than had the other system been applied.

There are two main drawbacks to the whole coalition plan. First, it has understandably been interpreted as a ruse to keep whites in executive Government that leaves decisive are an expendable minority. It ment and Government next positions after majority rule. power in the hands of white is hardly surprising that the April.

Secondly, the regional voting formula makes it less rather than more likely that no single party will emerge with a clearcut majority. Not only does this such as the Ndebele will be make coalition government inevitable, but it means that the weighted against the emergence of a strong and decisive administration. Cynics argueunfairly-that this is what the

It was difficult enough to sell commanders. an agreement which gave 28

Advocates of the new formula cent of the voters. It is all the argue that it is essential if the exodus of whites, expected to exceed 12,000 in 1978 or nearly 5 per cent of the white population, is to be slowed. They argue too that the regional representa-tion system is likely to secure a higher voter turnout than proportional representation applied nationally. In particular they claim that the Ndebele are now more likely to go to the polls

even if Mr. Nkomo's Zapu party

boycotts the election, as seems as half the 2.9m eligible black voters to go to the polls on April 20. If the Ndebele do abstain in large numbers, the turnout could be as low as 30

Contradictions

Such is the contrast between the transitional Government's coalition plan on the one hand and the Anglo-American settlement proposals on the other that it is impossible to be optimistic about the outcome of any all-party conference should it prove possible to get as far as convening one. At heart the two sets of proposals are essentially contradictory in that the internal settlement is designed chances are heavily to retain a permanent white country remains without interpresence in Rhodesia-hence Mr. Smith's persistent harping on the need to retain white confidence-while in the other whites want: a shaky coalition formula whites in the last resort

civil servants, police and army .Anglo-American plan should be tionally than the internal settle-Equally, it is not surprising that the white minority should seek to avoid a repetition of the political and economic prublems experienced by majority-rule governments throughout Africa.

Fearful outlook What is at issue is whether

the Anglo-American formula or the diluted agreement of March 3 offers the best hope for an orderly transition to majority Obviously voter turnout is rule and a stable, non-racial going to be crucial. This month's society thereafter. The unhappy reported high poll in the prospect is that like the rest Namibian elections is liable to of Africa, Zimbabwe will not make the Rhodesian turnout become a stable, non-racial look embarrassingly low. Few democratic society. The birth observers here expect as many pangs are likely to be extremely unpleasant with the civil war that is already under way between the private armies of Mr. Nkomo (Zipra), Mr. Mugabe (Zanla), Bishop Muzorewa (UNAC) and the Rev. Sithole (Zanu) intensifying in 1979. Zimbabwe will be Jucky indeed if its first majority rule Government is successfully chosen as a result of free one-man-onevote elections.

> The more likely scenario is that the elections on April 20 will go ahead against a background of terrorism and intimidation, and that the combination of internal opposition to the internal agreement, a had security situation, a low turnout, and the national coalition formula will ensure that the national recognition and still be subject to economic sanctions, despite the emergence of a black Prime Minister and black majority in both Parlia-

Letters to the Editor

The Board is the servant

From the Director General, Institute of Directors

Sir -It seems to me that Mr. Wolf (December 12) is guilty of far greater confusion than that he ascribes to Mr. Cole (December 6), whose picture of the Board is the accurate one.

No one need deny that a minority of directors are members of the Board by virtue of their shareholding in the com-pany. Indeed, it would be unhealthy if this were not so, for the identification with the success of the company which a large shareholding creates must l zest to the whole Board's determination to succeed. One of the fears we have about the Companies Bill, currently going through its committee stages in Parliament, is that the wellintended provisions on insider dealing could discourage directors from holding shares in their own companies.

But the relevant feature of our present system for selecting directors is that it sets out to do so on the basis of directors; ability to do the job. Whatever the shortcomings of this existing system, directors are judged in the end on their ability to produce results. They are not chosen on the basis of electoral popularity nor as representatives. of a narrow interest group. The-Board is the servant of the company, not of any particular interest.

If the Government's proposals for what it is pleased to call "industrial democracy" ever mustrial democracy" ever reach the statute book, the ideal for a Board of directors will change from that of a tight-knit-integrated team seeking success for the company through service to the customer into that of two teams representing separate interests, more concerned with the division of the company's wealth division of the company's wealth than with its creation. That

cannot be in the real interests The Government's proposal for a two-tier Board, along the German or Danish lines, is something of a red berring. The idea is superficially attractive, placing it would, trade union nominated directors largely out of harm's way on the upper policy Board, leaving the real work and the real responsibility elsewhere. But the danger for the company lies in the upper Board's lack of initiative. If the upper Board, which is ostensibly responsible for the direction of the company, has the power neither to initiate nor to take command in emergency, how can

It possibly be effective? therefore, agree with Mr. Wolf that we want a system in which directors are appointed on the basis of merit. But we also want a system under which our Boards of directors are not deflected from their proper pur-pose. The primary purpose of business enterprise and, there-fore, of the Board is to produce society's goods and services. The The Board owes its first duty to the customer, and it is towards a "customer democracy" not an industrial democracy should be heading. that we

Jan Hildreth. 116, Pall Mall, SW1.

True industrial democracy

From Mr. N. Cragoe .

most often observed arrogance scheme with such exotic investto be in the eye of the beholder ments. rather than in the accused.

I would not want anyone to come forelock in hand unless, of muse course, he wished to do so but I Do do most desperately want to see proper arrangements made for the most comprehensive com- first hand? munications at and between all levels of industry, not least because the other approach seems to be running us into the ground and very strangely—is it-not so?—commanding the united effort of all levels of industry in

the process. industrial democracy to ger-minate and flourish, clear of academic and political clap-trap by which this whole problem is surrounded at the moment. I cannot believe that workers elected by their own shopfioor are neces-sarily the best people to repre-sent shopfioor interests—they can be elected for so many other reasons such as personality or a loud mouth—nor can I believe that Mr. Fox can seriously suppose that trade union nominees from outside the company con-

I have just read Mr. Wolf's letter (Running the company, December 12) and note what he says about elected Boards. The case is rather different perhaps and certainly less political in the party-political sense. Where this is not true, if at all, since did two blacks make a white?

cerned can have any other result

N. L. Cragoe, 50, Pall Mall, SW1.

than a political one

An exotic story

From Mr. K.-Whitehead

Sir,-Paul Dean (December 15) states that pension schemes must be seen to be well run if they are to withstand political threats to their independence and freedom of action. This being so may I protest at the scurrilous nature of your article of December 2 concerning small privately administered pension

The headlines, the picture of the yacht, the righteously indigprose: "this misuse of tax privileges," etc., clearly served to give the impression that small self-administered pension schemes full of exotic invest-ments were, if not the norm, cer-

tainly quite common. What are the facts? Putting aside the weasel wording more usually associated with the yel-low rather than the pink Press I ask the clear question: do such exotically invested pension schemes really exist? Alternatively are they a figment of imagination or, more charitably, a mere illustration of a theoretical possibility? cal possibility?

I have to say that I put this clear question to the author of your article who replied in equally clear terms: no, he did not actually know of any specific pension scheme so exotically invested! As luck would have it, however, the man who gave him the idea, etc., was close by The chance of extending the question one further link down the chain again drew the clear answer no be did not actually know of any specific pension scheme 50 exotically invested!

Sir.—I am most grateful to Mr.; fore, to learn that at a conperformance statistics what part
Cole (December 6) for his-sup- ference of some 200 individuals of the rate of return rises from
port as tendered in his reply to all professionally concerned with actual investment income as disport as tendered in his reply to all professionally concerned with actual investment income as distinct. Jens, Mr. Fox, and while I am at all small self-administered pension tinct from paper fluctuations in finers, delighted to be awarded schemes no one was able to say capital values. anything might I just say to Mr. that they actually knew at first. In all the circumstances is it 104 College Road Fox on my behalf that I have hand of any specific pension too much to hope that some Harrow, Middx.

The conclusion I draw is that if such schemes exist at all they must be very very rare indeed. Do any of your readers actually know of any such exotically invested pension schemes at

Those of us concerned with occupational pension schemes can attempt to run them well . and also attempt to be seen to run them well but how can we be expected to deal with the impact on politicians and public of he process.

articles exposing "this misuse of tax privileges," etc., based, it type approach enables true would seem, on pure imagination.

Pension fund figures

Sir,-The interesting Lex column (December 11) on the subject of pension funds, leads me to refer again to the unsatis- overlooked in many discussions factory feature of the performance statistics at present available which provide only one composite figure for rate of return based upon: (a) investment income plus or minus; (b) changes in the market value of realised profits and losses.

These changes (b) in market value usually form the largest constituent in the so-called rate of return, often swamping the figure (a) for the actual investment income and producing wild fluctuations from year to year the North Sea just over a decade which have very little practical ago. relevance in the case of large pension funds.

The president of the Institute pension funds which are not subject to tax and thus receive the full benefit of gross income and of the compounding factor at current high gross rates of

The present difference between the yield on a long-dated Gilt and that on the FT-Actuaries All-Share Index is some 7.6 per cent gross and a simple calculation shows that even if equity dividends increase overall by 10 per cent regularly every year, the yields in the case of a pension fund will not equalise until the 10th year. In the meantime, how-ever, the shortfall in income will have accumulated to more than 90 per cent if, for sake of argument, interest is assumed to accrue at 13 per cent for the first

year declining by 1 per cent per annum thereafter. The trustees of a pension fund must obviously consider most carefully whether this very large loss of accumulated investment income will be justified by the position of equities in 10 years' position of equities in 10 years time and by the then future outlook for them. This is a truly unenviable task in these days when it is difficult to look ahead 10 months let alone 10 years and when "historical" data is of only limited value because history was made in such totally different consumptances.

different circumstances. notically invested!

It must obviously be helpful

It came as no surprise, there—to trustees to be able to see from responsible party will see the light and have the enterprise to provide separate figures for the two constituents of the rate of return instead of only one com-posite figure? The data must be available so that it is only a matter of making the necessary alteration to the computer pro gram. If this is felt to be too troublesome I can only say that it emphasises the sad lack of foresight when the form of the statistics was originally decided upon. D G. S. Cutler.

Lincombe, 9, Woodlands Road, Surbiton, Surrey.

Planning for electricity

From the Editor Energy International

Sir,—In saying that we shall need electricity to substitute for many other fuels as shortages develop in the future. Mr. Green (December 13) has hit on a hasic truth which has too often been of our future energy require-

fashionable argument from those who advocate con servation and/or oppose nuclear power is that we will not need to build any more large power portfolio allowing for existing plants to cogeneration and supply district heating and industrial process heat as well as electricity at greatly enhanced efficiency. That this is not happening is probably due to two events the national response to which can now be seen to be mistaken—the Clean Air Act and the discovery of natural gas in

The passage of clean air legislation should have been the signal to bring in district heatof actuaries recently stressed the overwhelming importance of income and, of course, this parficularly applies in the case of natural gas into every home possible, at enormous cost and inconvenience, and to the exclusion of the electricity supply industry. Had things gone otherwise, we might now be enjoying district heating from as fixed eogeneration units in gas-fired cogeneration units in all our major cities. As things are at present, we face the prospect in the next century of no only distilling coal into oil but making it into synthetic methane. Will our coal supplies then last the 300 years that the National proclaiming in its advertise-ments?

As the decline in oil produc tion approaches we should be planning to switch to an electric energy base for the very obvious reason that all the new energy sources are all exploitable, in many cases solely, through the process of electricity generation Therefore we should be planning for the eventual substitution o electric heating for oil-fired heating in rural areas and the electrification of transport, Then, as demand for electricity rises, new power stations should be built where there is a demand for heat so that they can also provide industrial process heat and district heating as appropriate. Needless to say, the priate. Needless to say, the conversion of established energy systems to electric or to hot water or steam derived from the generation process will stimulate industrial activity in many important areas.

Eric J. Jeffs. Energy International.

Today's Events GENERAL

Australian Prime Minister, Mr. Malcolm Fraser, leaves Canberra for tour of U.S. and Jamaica. Finance Ministers of EEC meet in Brussels to consider regulations for setting up European Monetary System (EMS).

Norway's Storting ment) debates EMS. TUC finance and general puroses committee meets, London. European Communities Commission Foreign Affairs, Agricullure, and Environment Councils

Sir Kenneth Cork, Lord Mayor

of London, gives opening address nduction course, at Mansion

British Psychological Society conference opens at London University (until December 19). Last day of International Show Jumping at Olympia.

Last day of posting for second class Christmas mail.

Exhibition showing prepara-tion and printing of the Post Office's Christmas stamps, Science Museum (until Feb-

Mr. Edward Heath conducts all start two-day meetings in carol concert, Central Hall, West-

Lord Mayor of London, Sir to students from provincial Kenneth Cork, attends Fleet universities taking part in City Street Club lunch, Connaught Rooms, Great Queen Street; attends annual banquet of Royal Society of St. George, Mansion House.

> COMPANY RESULTS Final dividends: J. and H. B Jackson. North British Steel Group. Interim dividends: Anglo American Asphalt Company. British Steam Specialties Group. Investment Trust Danae Monk and Co. Siebe Gorman Holdings. Interim figures: Crown House. Tricentrol (third

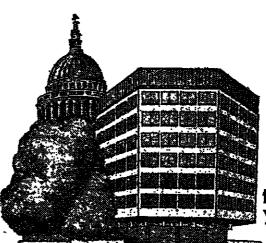
COMPANY MEETINGS See Financial Diary on page 23.

Airline offers cheaper fare

A PUBLIC Excursion fare of £49 return is to be offered on Southampton-Amsterdam Hights of British Island Airways from January 1.

The farc, £8.50 less than the lowest-priced excursion fare presently available and which compares with a normal return fare of £82, will be available on all BIA early morning departures from Southampton and on reciprocal flights from Amsterdam.

Monday to Friday.



If banking is a service business, then it should be on service that you judge a bank,

Bank of Boston House, 5 Cheapside, E.C.2. We've spent 56 years in the City, building an organisation to cater for the toughest judge of all: the financial professional.

That's why The Bank of Boston's account officers prefer long instead of short-term relationships. Why they stay with their accounts longer than their counterparts at other banks.

Why we have an exchange specialist based on the dealing floor devoted exclusively to keeping corporate customers abreast of

Why our two hundred people in London aim at the highest standards (if you give the best service, you've got the best bank).

Our dealers have put us among the top banks in making markets in all major trading currencies.

And six out of the top ten companies in the prestigious 'The Times One Thousand' are our customers.

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argentina, australia, rahamas, rouma, brazil, chalintel Islands-domii Ioan Perublic, fraixte Germain, hatti-hong Rong, Iran, tarii , iedanon, kwemboukg, meruco, parama, sii ksanore, spair (LVX, U.S.A., Urvbua), venezuela.

Norcros tops £6.5m midway: another good year expected

PROFITS before tax up 17.8 per cent to £6.53m for the half year to September 30, 1978, are reported by Norcres and the directors are expecting another satisfactory year with a healthy flow and maintained

Earnings per share for the first half are shown to be down from 5.55p to 5.4p because of the increased effective tax charge rate brought about by the inability to offset losses in-

The directors are declaring an interim dividend of 1.75p against 1.6p—the total last year amounted to 4.42p from pre-tax profits of £14.51m.

	19/8	1977
	Heif	year
	£000	£000
UK sales	63.789	62,346
Exports	10,346	13,676
Overseas	15.360	13,142
Associates share	6.060	8.023
Totals sales	95,556	97, 187
UK construction	25.506	
	14,452	14.806
Çansumer, etc	16,001	21.766
Engineering	18,176	15,290
Print packaging .		
Overseas	15,360	13,142
Head office	6,060	8,023
Trading surplus	7.389	6,531
Associates	186	165
Investment income .	654	458
Interest payable	1,697	1,611
Surplus before tax	6,532	5,543
UK construction	1,799	1,6.39
Consumer loss	756	1.736
Engineering	954	1,211
Print, packaging	2 089	1.948
Overseas	1.714	1,871
Head office	732	620
Tavation	3,256	1,940
	3,276	3.603
Not surplus	45	
Pre-acquisition losses	265	465
Minorities	3 056	3.138
A [[r butable	3 VESO 55	J. 136 55
Preference dividends		
Farmings for ordinary	3.001	3,083

Estraordinary debits engineering division experienced the expected down-turn in sales and profitability. The division has been The division has been strengthened by the acquisition of three engineering companies and it is anticipated that it will maintain its overall profit performance, the directors say.

The print and packaging division has again shown good growth in both sales and profit. Overseas and economic measures introduced by the Nigerian Government are affecting the group performace there and will do so for some time to come. However the influence of Nigerian results now has a lessening impact on overall performance. The operating surplus

SIMCO MONEY FUNDS Saturn Investment Management Co. Ltd. 66 CANNON STREET ECAN 6AE Telephone: 01-236 1425				
Rates paid 1	for W/E 17.			
	Call	7 day		
•	% p.a.	% p.a.		
Mon.	11.882	11.708		
Tues.	11.829	11.706		
Wed.	11.622	11.699		
Tues.	11.829	11.706		

Fri./Sun

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interies or finals, and the sub-divisions shown below are based meinly on last year's timetable.

interms:—Anglo-American Asphalt, British Steam Specialties, Christy Brothers, Crown House, Danas Invest-ment Trust, A. Monk, Siebe Gorman. Finals:—J. and H. B. Jackson, North British Steel, Sotheby Parke Bernst, South African Land and Exploration.

¥	FUTURE DATES	
,	Interims:— AGB Research Butterfield-Harvey	Jen. 11
) IR	Continuous Stationery	Dec. 22 Dec. 21
) 6 6 2 3 7 0 6	Finals:— McCorquodale Union Discount Warner Estate	Jan. 10 Jan. 24

for the current half year is also affected by the anticipated start-up losses incurred by S.I.E.V., in France. Despite these factors the overseas division increased sales and maintained operating

The group's current and planned new investment in plant. machinery and buildings con-tinues at previous levels, says

comment

The news that will have Norcros shareholders cheering is that Hygena, the kitchen equipment business, is now trading at break-even after four years of losses. Companies trading lower down the market in kitchen furniture seem to be having a successful time, but Hygena has only been brought round by drastic slimming down. The first-half improvement in Hygena, together with a strong performance by the double glazing operation Crittall Warmlife, cut the overall losses in Norcros' consumer products division by £1m. At total group pre-tax level profits only rose by this film, however, because a good result in construction was offset by depressed conditions in engineering and margins in the print and packag-

ing business were squeezed.
For the year as a whole consomer products may turn in a small profit, while start-up losses in France, which depressed first-half earnings, should be reduced. There will be some contribution from engineering acquisitions and altogether Norcros may be in line to make £16 m/£17m pretax. This puts the shares, at 96p, on a p/e of around 6.2 11.729 before extraordinary items with is shown at 108.2p (11.709 a yield of 7.7 per-cent—not excit. 31, 1978) per share.

U.S. \$15,000,000

The Mitsui Bank Ltd

Floating Rate Certificates

of Deposit 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six

Agent Bank

The Chase Manhattan Bank, N.A.,

London

month interest period from 18 December, 1978 to 18 June, 1979 the Certificates will carry an

Interest Rate of 12 1/2 % per annum.

to get all its major divisions pointing the same way.

Oceana's shares suspended

The imminent liquidation of Barnett Christie, the small fringe bank which is a sister company to Oceana Holdings, has forced the suspension of Oceana's shares on the stock market.

Yesterday, after Oceana's shares had dropped from 6p to 3p, the directors were persuaded to seek a suspension pending clarification of the company's featured position.

claringation of the company's financial position.

Oceana, and its subsidiaries, which range from linen hire to property dealing, have a number of loans from Barnett Christie which is run by the same director. In fact Oceana changed us tors. In fact Oceana changed its name from Barnett Christie Securities in April 1977. Securities in April 1977.
One particular problem within the Oceana group is a subsidiary, Haper Plastics, which was the subject of an auditors' qualification last year. Haper's viability was said to depend on the continuing support of its bankers and Oceana

It appears that part of Haper's borrowings, £164,000 worth, are from Barnett Christie where the Department of Trade has petitioned for a winding-up in the

public interest.

The Official Receiver has been appointed as provisional liquida-tor pending the formal winding-

up hearing.

Meanwhile. Oceana itself. in which Advance Laundries has a 10 per cent stake, has had a chequered career for the past decade. It has been loss making throughout most of the period and has not paid a dividend since 1971. Losses for the year to last April were £137,000. This was a reduction from the losses of 215,000 the previous year and was £215,000 the previous year and was said to indicate steady improve-

Midway rise by Moorgate Investment

Investment Company rose from £169,607 to £199.198 for the half year to November 30, 1978, and after all charges, net earnings were higher at £111,979 compared

with £94.702.
Earnings per 25p share are given up from 2.03p to 2.4p and the interim dividend is raised to 1.75p (1.5p) net, costing £81.550 (£69,900)—the 1977-78 final was 2.32p from £189.392 earnings. Net asset value at the half year is shown at 108.2p (104.9p at May



Mr. John V. Sheffield, chairman of Norcros, who reports half year profits up 17.8 per cent.

Enalon profit at marginal level for 15 months

PRE-TAX profits of Englan Plastics, plastic component manufacturer, came out at £28,100 for the 15 months ended Scptember 30. 1978, compared with £72,200 for the previous year.

The directors say that since the six month stage, when profits were down from £32,000 to £15,000 the order intake position has improved and activity is at a higher level. However pressure on cost-continue and demand although the profits of the continue and demand although the continue and demand improving, still remains below maximum production capacity.

Future prospects are difficult to predict, they say, for they are linked closely with the prospects of the group's major customers.

Although it is considered that the underlying business of the group will enable it to return to significant levels of profitability in the long term, the directors feel that the group's facilities will be under-utilised in the short

Profitability will, therefore, remain at marginal levels unless significant reductions are made in the scale of operations.

For this reason the directors consider that the proposed acquisition of the EFA group as

U.S. \$10,000,000

Floating Rate U.S. Dollar Negotiable

Certificates of Deposit

The Mitsui Bank Ltd.

LONDON

In accordance with the provisions of the Certificates, notice is

hereby given that for the initial six months interest period from

18th December. 1978 to 18th June, 1979, the Certificates will carry an Interest Rate of 1212 to per annum. The relevant interest payment date will be 18th June, 1979.

Merrill Lynch International Bank Limited

Agent Bank

heing in the hest interests: the new group would be more evenly balanced and better equipped, they state.

£2.02m against £1.67m and the pre-ta: figure was struck after deducting directors' emoluments ing pension scheme contributions, etc., of £53,800 (£39,000). Tax for the period took £9,600 (£36,900) leaving a net profit of £18,500 (£35,300).

Earnings are given as 2,83p (5.51p) per 25p share and the dividend total is 4.5p (4.4373p) net with a final payment of 3p.

completed the enlarged Enalon group intends to change its year-end to June 30, from September

Enalon gives a profit forecast in the bid document that the in the bid document that the group taxable profits of the enlarged group at June 30, 1979 will be £424,000.

Split between Enalon and its acquisition EFA Group, Enalon forecasts not less than £30,000 es its contribution for the ninementh period to [June 20, 1075]

month period to June 30, 1979. For the 12 months to June 30, 1979 EFA Group will be not less than £394.000 of which about £164,000 will represent profits of the EFA Group for the period before the acquisition by Enalon. That amount will not be availfor distribution to the

Enalon Shareholders.
A final dividend of 4.5 net A final dividend of 4.5 net (6.716 gross) is promised by the Englon directors, which will be

For the 15 months turnover was

The following securities have been added to the Share Inforthe acquisition mation Service appearing in the Financial Times.
Audiotronic 12 per cent Conv.

Pref. (Section: Stores).
Hunt and Moscrop I
(Section: Engineering).
Marston Thompson
Evershed (Section: Beers).

FT Share

Information

stage

THE DIRECTORS of Regalian

Properties report a reduced deficit of £573,098 for the six

months to September 30, 1978, compared with £1.41m previously

Archimedes Inv. better

After tax at £36,176, against £33,521 previously, Archimedes Investment Trust improved net earnings per 25p income share by 0.64p to 5.87p for the year to October 31, 1978. Gross revenue was up from £110,635 to £122,489.

At the year-end net asset value per 50p capital share amounted to 95.71p (94p). A second interim dividend of 3.7p takes the total recommended in December, 1979. to 5.7p (5.15p).

Standard Chartered Bank Limited U.S. \$100,000,000

Floating Rate Capital Notes 1990



NOTICE IS HEREBY GIVEN to persons entitled to definitive Notes representing the above issue that they may receive such Notes on and after 9th January, 1979 upon presentation to Euro-clear Clearance System Limited of a proper certificate pertaining to non-United States beneficial ownership.

Euro-clear in Brussels, Cedel S.A. in Luxembourg and each Paying Agent. 18th December, 1978 STANDARD CHARTERED BANK LIMITED

Forms of such certificate are available at the offices of

Hope of 1979 start Regalian cuts loss for Jabiluka at interim BY PAUL CHEESERIGHT

PANCONTINENTAL MINING per cent owned by Charter Conhopes to start construction at its solidated. Its shares were undablinka uranium deposit in the hopes to start construction at its Jabiluka uranium deposit in the Northern Territory of Australia during 1979. A final environ-mental impact statement will be submitted to the Australian Government by the end of this

on turnover well ahead at £4.4im against £2.7im. Losses for the whole of the 1977-78 year came to This latest construction target date for a project which has become famous both for its size and for it controversial role in local Aboriginal politics, was given to shareholders by Mr. Tony Grey, the chairman, at the annual meeting in Sydney.

f1.95m.

The company, as opposed to the group, turned in higher profits at f288,603 against f119,283; the directors point out that it is from these profits that shareholders funds are derived.

As forewarned in his annual statement, Mr. D. J. Goldstone, the chairman, says that in the second half of the year the substantial reduction in the stock of properties will result in a signifiseek a mining agreement with the Northern Land Council, the statutory body which represents stautial reduction in the stock of properties will result in a significant decrease in turnover and therefore profits, arising under the Management Agreement.

The group loss was subject to tax of £31,266 (£48.772) and a £25,073 (£49,516) provision against transferent in intercontagnists. Aboriginal interests and which earlier this year was engaged in protracted negotiations with the Government over the Peko-Wallsend-EZ Industries-Atomic Commission Ranger Energy

investment in joint companies, making the loss £829,437 (£1.51m). Mr. Grey said that if there was no agreement with the M.C. the company would go to arbitration. Loss per share is shown as 14.14p (33.87p). There is no charge to corporation tax in respect of the company, due to group relief, and
profits here give earnings of 6.48p
(2.68p) per 25p share.

Mr. Goldstone says that looking
to the future it would be prudent
to note at this stage that notwithstanding the buoyant residential
market of the last two years
there can be little hope of the
company earning dividends from
the subsidiary, Regalian Securities. He made the remark against the background of Aboriginal opposi-tion to Jabiluka's development before the impact of mining at

both the Ranger deposit and Queensland Mines Nabarlek deposit has been assessed. . It still looks therefore as if Pancontinental has a long row to hoe before construction starts. The longer the delay the greater becomes the chance of an

In addition little progress bas been made in the acquisition of erosion in its competitive posi-fion in the face of quick developcommercial or industrial projects:
although a major residential
property, including a shopping
element, has been acquired. ment at new deposits in Saskatchewan. It is hoped that the profits, which will arise next year from this acquisition will compensate: Mr. Grey noted that potential customers had re-affirmed their interest in Jabiluka uranium but "There is a limit to how warned: in part for the reduction in profits under the Management

long customers are prepared to wait for Australian uranium before they turn elsewhere to increment their supplies."

4p PAYMENT

Beralt Tin and Wolfram yester-day declared a dividend of 4p a share, in line with the intention expressed by the Board last July. The dividend is based on the 1977 earnings of the company's Portuguese operating unit and follows the remittance from Portugal of Es90m (£977,200) in six monthly instalments.

ELDORADO BOOST FOR URANIUM JOINT VENTURE

Eldorado Nuclear, the state owned Canadian uranium group, is to exercise its option to increase its equity to 50 per cent in the Conwest uranium explora-tion joint venture, writes John Seganich from Toronto.

After settling environmental Equity held by Eldorado at questions. Pancontinental will present is 20 per cent. The exerpresent is 20 per cent. The exercise of the option leaves the stakes of the other companies. Involved at 12.5 per cent each for the Central Electricity Generating Board of the UK, Electrowatt of Switzerland, Empresa Nacional del Uranio of Spain and the Conwest group.

Eldorago will put up half the funds for the venture and be-come its operator. The main exploration effort will continue to be in northern Saskatchewan at the Geikie East and Geikie West prosperts where the pro-vincial agency. Saskateliewan Mining Development Corpora-tion has a one third interest.

The exercise of the option by Eldorado is likely to lacrease the funds available and lead to quicker exploration of fis-properties without the need for any greater financial commitment by the other companies in the joint venture.

PHILIPPINES TO RAISE COPPER PRODUCTION

THREE new copper mines will be opened in the Philippines: BERALT MAKES A Sort 1978, an increase of 43,000 tonnes over anticipated output this year.
The Bureau's statement

follows an order by President Ferdinand Marcos for an expansion of the copper industry to meet the terms of trade agree-ments recently signed with China. One effect of the agreements wilf be to increase China's copper purchases from the

In the 1977 calendar year. The three new mines are the Beralt paid to shareholders 2.5p first of a series of six expected from the 1976 earnings of the to start production by 1982. At Portuguese unit and 1.25p from present the Philippines has 11 the 1974 earnings. Beralt is 42.4 copper mines in operation. The three new mines are the first of a series of six expected CURI

State of

-LERENCY

LOCAL AUTHORITY BONDS

		Interest payable	Minimun	
hat connected	96			Уеаг
Barnsley Metros (0226 203232)	12	-year	250	3.7
		-year_		4-6
Barking (01-592 4500)				4-6
Knowsley (051 548 6555)	124	-year	1,000	5-18
Manchester (061 296 3377)				
Poole (02013 5151)	131	i-year	500	2-3
Poale (02013 5151)	12	- year	- 500	6-7
Poole (02013 5151)	121			
Redbridge (01-478 3020)	12	-year	200	4-5 ;
Sefton (051 922 4040)	13	year	2,000 .	2-3
Wrekin (0952 505051)	12Į	yearly	1,000	5-10

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£25,000 accepted for fixed terms of 3-19 years. Interest paid gross, half-yearly. Rates for deposits received not later than 5.1.79.

Rates for larger amounts on request. Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 SXP (01-928 7822. Ext. 177). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

This advertisement appears as a matter of record only

Tolteca Group

Mexico



US \$100,000,000

The following arranged participations in this Term Loan by the International Finance Corporation

Libra Bank Limited Bank of Montreal

Bank of America International Group Chase Merchant Banking Group Citicorp International Group First National Boston Limited

National Westminster Bank Group Security Pacific National Bank

> Funds Provided By International Finance Corporation

Bank of America NT and SA

Bank of Montreal The First National Bank of Boston

Canadian American Bank S.A. International Mexican Bank Limited Wells Fargo Bank N.A.

International Westminster Bank Limited

The Chase Manhattan Bank, N.A. Citibank, N.A. Midland Bank Limited

Samuel Montagu & Co. Limited

Security Pacific National Bank Canadian Imperial Bank of Commerce

Libra Bank Limited Samuel Montagu & Co. Limited W. J. PYKE (Holdings) Limited (Wholesale and retail butchers)

Salient points for the year to 30th June, 1978 by P. Garner,

 I am pleased to report that the pre-tax profits for the year are £40,585 compared with £24,558 for the previous year.

 The Board are not recommending payment of a dividend as it is considered prudent to retain the funds in

 Trading remains reasonably buoyant, however, the meat trade is still working on very narrow margins and it is difficult to forecast accurately our profitability in the current year, particularly in the light of the current credit restrictions.

Comparative results Yr to 30.6.78 Yr to 30.6,77 Turnover £6,332,939 £5,835,160 Profit before taxation £40,585 £24,558 Profit after taxation £40,582 £19,396 Cost of dividend £2,487 Retained profit £40,582 £16,909 Earnings per share Copies of the Report and Accounts are available from the Secretary, W. J. Pyka (Holdings) Ltd., 144-146 New Bond Street, London W1.

TO THE HOLDERS OF .

The Long-Term Credit Bank of Japan Limited \$30,000,000 Plonting Rute Notes Due 1901

In accordance with the provisions of the above Notes, Bankers Trust Company, as Reterence Agent therefor, has established the Rate of Interest on such Notes for the semi-annual period ending June 15th 1979 as twelve per cent (12%) per annum. As calculated in accordance with Clause 2(d) of such Notes, the Interest due on such date, which will be payable on surrender of Coupon No. 5 of each Note (the Coupon Amount), amounts in United States Dollars to \$60.67.

> BANKERS TRUST COMPANY Reference Agent

DATED: December 13th, 1978

The Clydesdale Investment Company Limited

	-			
Equity shareholders' interest	7		£65,361,312	£54,508,589
Asset value per share			109.8p	91 6p
Revenue available for ordina	ry shareholders		£1,158,758	£958,318
Earnings per ordinary share			2.00p	1.670
Ordinary dividend per share	interim final		0.60p 1.30p	0.500p 1.175p
Ordinary shares ranking for d	lividend		57,887,724	57,399,062
Capitalisation issue in B ordin	nary shares		1.82306%	1.93931%

In his Chairman's statement Mr. J. A. Lumsden comments as follows. CAPITAL

The net asset value per ordinary and B ordinary share increased during the year from 91.6p to 109.8p, an increase of 19.9 per cent. During the same period the relevant indices moved as follows:

UK -FT Actuaries All Share + 1.7 per cent USA —S & P Composite + 6.2 per cent Japan—Tokyo New +11.1 percent

The effective rate of investment currency premium at the year end was 40.625 per cent as compared with 27.75 per cent at the start of the year. The Yen rose ?" against the Pound by 23.4 per cent but the US Dollar fell by 11.5 per cent.

Your Board recommends a final dividend of 1.3p making 1.9p for the year as against 1.675p last year, an increase of 13.4 per cent. A further increase in -

dividend in respect of the current year is expected and the Board now recommends that the interim dividend be increased from 0.6p to 0.7p. FUTURE OUTLOOK AND POLICY

At present there are many uncertainties.

in the markets in which we are primarily invested, mainly connected with the outlook in regard to inflation and the

actions being taken (or not being taken) by governments on that account. Our broad investment strategy is to maintain a balanced portfolio based primarily on the three major economies of the UK. USA and Japan, but with significant interests also in other areas such as-Asia, Brazil and Europe: At present we think it right to have approximately two-thirds of our equity investments in Overseas areas.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 8th January 1979 at 1 am at 175 West George Street, Glasgow GZZID



MANAGED BY MURRAY JOHNSTONE LIMITED

UK PENDING DIVIDENDS and ISSUES

except where the forthcoming board meetings (indicated thus*)

have been officially published. It should be emphasised that the

dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend

BASE LENDING RATES

English Transcont. 124% Edembers of the Accepting Houses

English Transcont. 124%

First Nat. Fin. Corp. 14 % 7-day deposits 10%. 1-month deposits

First Nat. Secs. Ltd. 14 % 10%%

El Antony Gibbs 124%

Greyhound Guaranty 124%

Grindlays Bank 124%

Grindlays Bank 124%

El Guinness Mahon 124% 5 Demand deposits over \$1,000 10%.

Southerns...Jan. 18
"McCorquodale Jan. 10
"Nthrn. Foods Dec. 19

Television...Jan. 17 Final 1.991
Tumer
Manufactrg...Jan. 13 Final 2.293
*UnigateDec. 21 Int. 1.33
Ward (T. W.) Jan. 4 Final 2.885
Westland
Aircraft...Jan. 5 Final 1.6726
*Board meetings intimated. † Rights issue since made. † Tax free. § Scrip issue since made from reserves.

Keyser Ullmann 121% Knowsley & Co. Ltd... 141% Lloyds Bank 121%

Lloyds Bank 121%
London Mercantile 121%
Edward Manson & Co. 131%
Midland Bank 121%

Norwich General Trust 124% P. S. Refson & Co..... 124%

Rossminster 121% Royal Bk. Canada Trust 121%

Samuel Montagu

Morgan Grenfell....... National Westminster

announcements.

Assocd. Peper Industries... Jan. 19 Final 1.804

Associated Engineering Dec. 15 Final 3.42

Associated Dairies...Dec. 14 Int. 0.45
Bank Leumi (UK) .Jan. 17 Final 4.684
*BOC Inth) ...Dec. 21 Final 1 795
*Barislard

Courts (Furnishers)...Jan. 17 Int. 1.5565
(Furnishers)...Jan. 17 Int. 1.5565
(Furnishers)...Jan. 19 Int. 0.9075

*Elliot (B.)Dec. 29 Int. 2.458
English China
Clays...Jan. 12 Final 1.8038
GestetnerJan. 17 Final 2.0244
Grand
Metrop. ...Jan. 20 Final 2.6473
HenlysJan. 18 Fnl. 5.664 fest.
Hickson and

Associates Cap. Corp... 121%
Banco de Bilbao 121%
Bank of Credit & Cmce. 121%
Bank of Cyprus 124%
Bank of N.S.W. 121%

Bank of N.S.W. 124%
Banque Belge Ltd. 124%
Banque du Rhone et de
la Tamise S.A. 13 %
Barclays Bank 124%
Barnett Christie Ltd. 134%
Bremar Holdings Ltd. 134%
Brit. Bank of Mid. East 124%
Brown Shipley 124%
Canada Perm't Trust. 124%
Cayzer Ltd. 124%
Codar Holdings 124%
Charterhouse Janbet. 124%

Credito Commerciale sale Exchanges approaches completion

INTL. COMPANIES AND FINANCE

finally clear for the L233bn (\$286.8m) sale of a controlling a bank belonging to the Milan financier Sig. Carlo Pesenti, to the State-owned Monte Dei Paschi Di Siena Bank and its subsidiary Banca Toscana.

A Board meeting of Banca Toscana agreed at last this weekend to take up a 28 per cent in Credito Commerciale. alongside the 51 per cent that its parent has already accepted to acquire. However, the political dispute aroused by the proposed transaction continued

ROME — The way now looks opposition to the notion of a significantly enhance its position to the notion of a significantly enhance its position of a controlling belong Sig. Pesenti to industry, where it at present ranks in eighth place. Sig. Pesenti would receive a health belonging to the Milan tal-Cementi group, and in parmancier Sig. Carlo Pesenti, to ticular, sort out his Hoks with the group, and in parmancier Sig. Carlo Pesenti, to ticular, sort out his Hoks with the group, and in parmancier Sig. Carlo Pesenti, to ticular, sort out his Hoks with the group, and in parmancier Sig. Carlo Pesenti, to ticular, sort out his Hoks with the group, and in parmancier Sig. Carlo Pesenti, to ticular, sort out his Hoks with the sale of his 79 per cent controlling interest in Credito Commerciale. But Monta Dei Banca Provinciale Lombarda. These tensions are the reason

days. And at the control of its Board, aligned line from its group.

Monte Dei Paschi Di Slena

And at the control of the control of 1977 had total Barring a last minute sur-

Commerciale. But Monte Dei why approval by Banca Toscana Paschi has denied press reports has been held up for several here that as part of the arrangedays. And at the conclusive ments, Sig. Pesenti would

at the end of 1977 had total deposits of L7,826bn (\$9.7bn), prise, the complete package is while Credito Commerciale — due to be ratified this week at unofficially ranked 30th among proposed transaction continued due to be ratified this week at unofficially ranked 30th among the country's credit institutions publicly expressed strong the deal the Siena Bank would (\$1.9bn).

to hear appeal by Simpsons

and Quebee Securities Commissions have scheduled a joint public hearing for today in Montreal to consider an appeal by Simpsons Ltd. against trading suspensions in its stock by the Toronto and Montreal Stock Exphence and Montreal Stock Exchanges and to consider a request by Hud-son's Bay Company that would affect how Simpsons' shares could trade if the suspensions are lifted.

distributed to

Canadian bid decisions

OTTAWA — Mr. Jack Horner, the Canadian Federal Industry Minister, said the Foreign Investment Review Agency has rejected a pro-posal by Honeywell to buy incoterm Computers and Terminals of Toronto, controlled by Incoterm Corpora-

The Agency approved a plan by Kaiser Engineers, controlled by Ramond International, to acquire control of Henry J. Kaiser (Canada).

jected at first.

GOLD

tred Hulbert a fracti

Armco sees profit near peak

- Earnings in shipments in 1979 will 1978 for Armoo, the major sheet "about the same" as the 97m steel manufacturer, will be expected to be shipped in 1978
"very near" its record 1974 if steel imports are reduced 20

"The same of the per cent anear of the p earnings of \$202.2m or \$4.43 a

Mr. William Verity, chairman, told securities analysts that sales this year will inland Steel said it expects its approach \$4.3\text{bn}. He added that traition's trigger price mechabout 6.2m toos this year up from the previous record 6.1m toos in 1974. Last year Inland that sales this year will inland Steel said it expects its shipped 5.6m toos.

Agencies

"We are looking-for another strong year in 1979."
In 1977 Armco earned \$119.7m or \$2.53 a share on sales of \$3.57bn. Capital investment in 1978 will total about \$148m and should rise to about \$200m in

other businesses. By 1982 car-bon steel will be only 45 per crease in importance, predicted of \$5bn...

per cent by the Carter Adminis-tration's trigger price mech-about 6.2m tons this year, up

Higher shipments at IBM

ties analysts. The trend should "have a

Mr. Verity. For the first nine months, rate of The industry's domestic steel IBM had reported higher pur- AP-DJ

ST. LOUIS—IBM Corporation chases of data processing equip-is experiencing "higher ship-ments" in the fourth quarter income rose to \$2.1bn, or \$14.34 Armco is continuing to de-with a "strong data processing a share, from \$1.92bn, or \$12.92 crease its emphasis on carbon purchase mix." Mr. John R. a share, while gross income steel products in favour of Opel, the president told securi-increased to \$14.64bn from

Commenting on the economic cent of Armeo's operations, very positive effect on revenues outlook for 1979, Mr. Opel said while such other operations as and earnings in the fourth IBM expected Gross National specialty steel products, finan-quarter." In the 1977 fourth Product to increase "a little less clal services and oil field equip-quarter, IBM earned \$797m. or than 2 per cent " with consumer ment and production will in- \$5.38 a share, on gross income prices rising " more than 8 per f \$5bn... cent," and an unemployment For the first nine months, rule of "just under 7 per cent."

TORONTO-The Ontario

said that Simpsons applied for a hearing and review of the trading suspensions by the exchanges. It said Hudson's Bay requested a hearing to determine whether the Com-missions should prohibit any Simpsons trading unless the shares involved "are traded as a unit in connection with the seller's right to receive the class B shares of Simpsons-Sears Ltd." to be

The acquisition follows the

purchase by Raymond of Kaiser Engineers division from Kaiser Industries Corporation in 1977. The Canadian takeover was re-

Dec. 15 Dec. 14

FORWARD AGAINST \$

CURRENCIES, MONEY and GOLD

Lira and punt to join EMS

BY COLIN MILLHAM

TTALY moved towards member- changed on the week. It is even against the D-mark in the near them the same of the European Monetary probable that the Bank of Italy future. The band of movement for the present European curbound towards member- changed on the week. It is even against the D-mark in the near them. \$205.20 them to the present European curbound towards member- changed on the week. It is even against the D-mark in the near them. \$205.20 them to the present European curbound towards member- changed on the week. It is even against the D-mark in the near them. \$205.20 them to the present European curbound to the pr country had decided to join the by fears of a large oil price rise system after all, but longer term at the weekend's OPEC meeting. rates were unmoved.

Forward discounts against the D-Mark the lira lost ground, dollar widened, but only with L1,000 quoted at DM2.2365 dollar widened but only will have trading on Friday, com-slightly, while the spot lira/ in late trading on Friday, com-dollar rate was virtually un-pared with DM2.2570 a week earlier. The Italian authorities are obviously concerned that the

CURRENCY RATES

December 15	Special Drawing Rights	Europea Unit or Account
Austrian schilling	8.645335 1.29539 1.51342 17.7622 38.4245 6.75214 2.42634 2.62692 5.57619 1083.25 251188 6.54663 91.27634 5.64672 2.15874	0 649847 1.32574 1.52574 18.3940 39.8155 7.93543 2.51520 2.72568 5.78584 1124.80 250.879 4.76790 94.5862 2.92536 2.73559

THE POUND SPOT

	Dec. 15	rate - o		Close
	U.S. 8 Canadian 8 Gudder Belgian F Belgian F Danish K D Mark Port. Esc. Span, Pes. Lica Krwgn, K French Fr. Swediah k I re Austria Sch. Swiss Fr.	612 6 8 7 1012 7 912 612 512	1.9740-1.9850 2.3285-2.5420 4.05-4.08 59.25-59.66 10.402-10.47 8.74-3.77 92.65-82.85 140.80.141.50 1.678-1.980 10.104-10.153 8.59-8.94	2.5395-2.3406 4.051-4.064 59.35-59.45 10.414-10.426 5.744-5.764 92.16-82,55
- '	34 De L1.	, •	0.00-0.00	0.070-0-00

ment in the foreign exchange to keep the life rate down, but market last week. Short-term this situation was something of well into double figures, moved higher on the news that the against a dollar that was hit country had decided to into the same.

Intruse present European currences was and for most EMS Atternout tiving ... 5295.85 to the currencies will be 2½ per cent, but italy has opied for a 6 per cent band, and it must be currencies rose quite sharply against a dollar that was hit do the same. Westminster has effectively re-

mained the economic master In terms of the all important political independence with the Irish pound at parity against sterling. For the first time, however, Barclays Bank quoted separate rates for the Irish unit hast week, and other banks must lira should not enter the EMS now follow suit. at too firm a level against other

THE DOLLAR SPOT

	Day's	
December 15	Spread	Clase
Canad'n S°	84.67-84.78	84.78-84.73
Citilder	2,0490-2,0545	2.0535-2.0550
Belgian Fr	29.94-30.03	29,94-29,96
Danish Kr	5.2630-5.2755	5.2675-5,2700
D-Магк	1,8915-1,3955	1.8915-1.2925
Port. Esc	46.50-46.80	45,50-46,65
Span, Pta	71.25-73.31	71,25-71,30
Lira	646.30-847.0D	846.30-846.70
Newzn. Ke	5.1225-5.1180	5.1125-5.1150
Erenoh + r	4.3490-4.3583	4,3400-4,3450
Swedish Kr	4.4850-4.4150	4.4875
Yen	195.40-195.85	195.40-195.60
Anstria Sch	13,86-13,8989	15.85-13.87
Swiss Fr	1,6368-1,6390	1.6875-1.6890
U.S.	cents per Ca	nadlan s.

Canad'n S° Guilder Beigian Fr Demish Kr Demish Kr Port. Esc Span, Pta Lira Mrwzn, Kr French Fr Swedish Kr Yen Austria Sch Swiss Fr	84,47-84,78 2,6900-2,0545 29,94-30,03 5,2439-5,2753 1,8915-1,3925 66,59-64,59 71,25-71,31 846,30-87,00 5,1125-5,1120 4,3400-4,350 1,4850-4,4150 195,40-195,85 13,86-13,8980	84.76-84.73 2.0533-2.959 29.94-29.96 5.26.75-5.2760 1.8913-1.8925 85.50-86.65 71.25-71.30 846.30-896.70 5.1125-5.1159 4.3490-4.3459 4.3490-4.3459 13.85-33.87 195.40-195.40
U.S	. cents per Ca	naglan Ş.

th:	2 p.a.	Three monume	202	· <u>·</u>
<u> </u>	<u> </u>			
pm.	2.24	7. 07-0.9 7 c. pru	2.08	: Dec
m	3,08	1.60-1.50 c.pm	2.65	
. a	2:58	4-3 c. uni	3.45 ··	Argentin
. ;	3.03	26-55 c.; m	4.04	Australia
alla!	-1.44	2-4 are dis	-L15	Finland .
<u> </u>	9.19	23-82 to thu	9.46	Brazil Cr
		150-520 c. die		Greek D:
s i	_ E 01	270-370 · · · ilis 1		Houg Ko
•		S-12 Ure Us	-2.5	Irau Kin
' 'I		7.5 ore pm		Kuwan I
ا .د.	417	92.81 c. pm		Luxembo
ao i				Siajaysia.
bun :		10-Bure pm		
pre:	11,60	70.40-10.05\po		New Zest
ı j	4.37	43.66 gru jun	5.53	Saudi An
yzni	13.90	114-108 c. pm	13.00	ទីព្រៃខ្លាំក្រក
- 1		·		Courb An
	(ocus	rd dollar 1.	90`1.85c	

FORWARD AGAINST £

at too arm a level against other stronger European currencies. On Friday Ireland's Prime Minister, Mr. Jack Lynch,	THE	DOLLAR	SPOT
announced that his country will join the EMS on January 1, but	December 15	Day's spread	Clase
the Irish punt will maintain its link with sterling. This seemed to be a somewhat ambiguous statement since the British Government has already said that the pound will not be one of the founder currencies of the	Canad'n 8° Guilder Belgian Fr Demish Kr D-Mark Port. Esc Span. Pta Lira Nrwgn. Kr Erench Fr Swedish Kr Yen Anstria Sch	81,67-84,73 2.0400-2.0543 29,94-30.03 5.2630-5.2755 18915-1.3955 95,50-95,80 71,25-71.31 74,25-71.31 95,1225-5.1180 4.3400-4.350 4.3400-4.350 195,00-195,85 11,86-11,5930 cents per Car	84.78-84.73 2.0535-2.850 29.94-29.96 5.2673-5.2760 1.8925-1.8925 95.50-96.65 71.25-71.30 846.30-896.70 5.1125-5.1159 4.3950-4.4875 195.40-195.40 15.85-13.87 1.6875-1.6890

OTHER MARKETS

Dec. 15	£	\$		Note lintes
Argentina l'eso Australia Dollar Finiand Markka	1.7325-1.7375	0.8773-0.8785	Austria Belgnini Deninark	27-28 593-613 10.40-10.50
Brazil Cruzetro	39,93,40,93 71,954,73,712	20.17-20.67 36.34-37.23	France	8.55-8.65 3.70-3.80
Kuwait Dinar(KD)	145.13.149.07 0.538-0.548	731 ₃ -751 ₃ 0.27410-0.27420	italy Japan. Netheriands	385-395 4.00-4.10
New Zestami Lipitar	4.3050-4.3175 1.8275-1.8845	3.1870-2.1900 0.9488-0.9519	Norway Portugal Spain	88-98 1411 ₃₋ 1451 ₃
Saudi Arabia Riyal. Singapore Dollar South African Rand	6.60-6.70 4.2700-4.2825	2,1690-2,1700	Switterland United States Yogadayis	1.9800-1.9900
				

EXCHANGE CROSS RATES

Dec. 15	Pound Stering	Li.S. Dollar	Deutschemerk	Turnen Jag	Prents Franc	5% has Franc	्र नेपार्का है सार्वास्त्र । 	I Marian Lina	Califora Donar	Decade Fran
Pound Sterling U.S. Dollar	0.505	1.980	5.750 1.894	388.0 195.0	8.600 4.343	3.545 1.689	4.058 2.049	1676. 846.2	2.340 1.182	59,40 30.00
Deutsche mark	0.267	0.528	9.665	103.5	2.293	0.892	1.082	446.8	0.624	15.84
Japanese Yen 1.000	2.577	5.103		1000.	22.16	8.621	10.46	4518.	6.031	153.1
French Franc 10	1.153	2.302	4.560	451.2	1U	3.890	4.718	1948	2.721	69.07
	0.299	0.502	1.121	116.0	2.571	1.	1.215	500.9	0.700	17.76
Dutch Guilder	0.245	0.486	0.924	95.63	2.120	D.824	2.422	412.9	0.577	14 64
Italian Lica 1,000	0.597	1.182	2.238	231.6	5.135	1.996		1000.	1.397	45.45
Canadian Dollar	0.427	0.845	1.603	165 8 653.2	3.675	1.429	1.754 6.831	716:0 2821.	l. 3.939	25.38 100.

•	NEW YORK Prime Rate Ped Funds Treasury Bills (13-week) Treasury Bills (26-week)	9.8125 9.85
	GERMANY Discourt Rate Overnight One month Three months Six months	4.15 4.15
	PREMARY	
	FRANCE Discount Rate Oversight One meath Three meath Six menths	9.5 6.75 6.625 6.6875 6,9375
	Audio Commence	

LONDON MONEY RATES

Dec. 15 Certific 1978 on depe	nte Interbenk	Local Authority deposits	Level Autu negoriable bouds	Finance House Deposits	('ompeny	Discount market deposit	Treasury Billsap	Eligible Bauk Bilisch	FineTrule Billsop
Overnight	10-12				1212	10-1212			
2 days notice		113-12	1 - 1		· -	I		i —	-
7 days or	1 -	· · ·	1	_	1239		! —	l –	! —
7 days notice —	1112-12	12-1219	! —]	124		1112-1178	J . .	i —	1 —
One month 121g-11	32 12 12 12 12 12 12 12 12 12 12 12 12 12		121g-123g	1212	1212	1154	11 & 1163	12,	1212
Two months 124-12	in 127-127	(' - '	12-1232	125g	1232	12	11,8-11%	12, 123	1212
Three months 12/2 12	124-124	12 - 124	117g-123g	1234	-	12	115s-11 ¿	ع 12 سي 12	يا 12
Six months 121g-1	1219-1214 ينزا	I 17a-12 ia	1154-12	1268	1 1	_	- "	1158-114;	124
Nine mouths 117g-1	i.k. 114%-12-16	1. — '	1158-12	. 1238	!	– .	. –	i –	⁻
One year	6g . 111g-12	114-117	1146-12	123g	• — I	-	_	! —	↓ —:
Two Jean	·	12 1214] - 1	-	· - !	· -	!	<u>_</u>	i

The dates when some of the more important company dividend RECENT ISSUES statements may be expected in the next few weeks are given in the following table. Dates shown are those of last year's announcements,

EQUITIES

Issue Price	1 m 1 m	778	Stock	- 14 -	7. P. p.	lines routed left P.K.
Price	E Hier	Low	 	;- <u> </u> -	154	
421 ₂ F.P. 24 A\$0.50 F.P. A\$1.25 F.P. 155 F.P. 16 29 F.P. 110 T.P. 110 F.P.	- 78 - 105	100 171 296		176 +6 2912:12	<u>-</u> _{/7.8}	5.1 6.6 7.3 5.4 6.8 4.9

FIXED INTEREST STOCKS

٠							
Price	Amenint Publ Up	Renutte, Date	le High	. — i	Stock	g ooj.d Jeloo	+ *
£993, £1 £100p 1100p £1 £9712 97p	£10 Xii Xii Xii	28/12 5/1 22/12 25/1	¹ g pm 5pm	101 201 200 200 380 13	Anglercy Varmide 1963. Coline Valley Water & Red P. Prf. 1985. Crosty House 168, Com. 17-90. Findlay 82, Car. Cum Red. Pri. Hawkey Goodald 122, Cuv. Uns. Ln. 18-88. Newman Into. 107. Acc. Prel. Mid Kent Water ES, Prel. 1984. Rickman worth A Unbridge Water 72, 50. Despective 1022, Prel.	14 pm 5pm 98p 1514	-1

"RIGHTS" OFFERS

Price		Lates Renun Date	ic.	1978 gb / Low	Stock	Clusing Price	4 or
60 ¦	F.P.	8:12 19		668	(Beeelman		-5
17	F.P.	15,12 26	5/1 21)1 ₄] 191 ₂	Boulton (Win	1912	
oj i	F.P.	311X 21	L 12 41	376	Brown (J)	376	
67	F.P.	29:11	5/1 7		Capper-Neill		+1
05	F.P.	15/12 12	2/1 112	107	Clifford (Cha-,	111	
93		15/12 12			Dixon (D)		+8
45	XiI	8/1 9			Foster (John		¦ <u>.</u>
àυ	P.P.	B/12 12		140	Hocking & Horton	145	+ 5
25	Nii	15,12 19	2/1 - 36	ໝາ່ 29ຫມ	M.L.Bolding:	29 m	i
50	NII	3/1 9		nm 84 (-111	Metal Bus	58 mg	+4
85	P.P.	18/12 10			Stothert & Patt		45
62		18/12 16		67	Fern Con-ulate	73	<u>, </u>

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. a Forecast dividend; cover based on previous year's earnings. r Dividend and yield based on prospectus or other official estimates for 1979. g Gross. T Figures assumed. † Cover allow-for enversion of shares not now ranking for dividend or ranking only for restricted dividends. Placing price to public. p? Peace unless otherwise indicated. § Issued by tender. [[Officred to holders of ordinary shares as a "right." s-Issued by way of capitalisation. § Reintroduced. [C Issued in connection with reorganization, merger or take-over. [[III] introduction. [] Issued in former preference holders. [[Allothem letters for fully-paid). @ Provisional or parily-paid allothem letters.

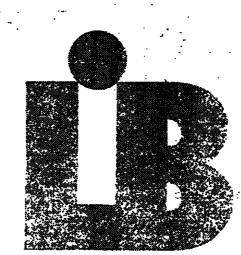
CLIVE INVESTMENTS LIMITED 1 Royal Exchange Ave., London EC3V 3LU, Tel.: 01-283 1101. Index Guide as at November 30, 1978 Clive Fixed Interest Capital 129.67 Clive Fixed Interest Income 114.28

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornbill, London EC3V 3PB. Tel.: 01-623 6314. Index Guide as at December 14, 1978

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Maryland National Bank

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Telephone: 01-606 1541/3 Telex: 8812367

The year of the poor man's cake

BY LODESTAR

THEM EAT CAKE," hanging on to them as a hedge might well have been the against currency and other un-advice taken in the mining certainies instead of passing the investment scene during this stones along the processing and past year of world economic marketing chain. It required slow-down and uncertainty temporary surcharges of as much surrounding paper currencies as 40 per cent on De Beers' Cen-in general and the U.S. dollar in particular. Indeed, the in break this dam. flight from the dollar has been

thight from the dollar has been the major reason for the big revival seen in demand for those up-market commodities, gold, platinum and diamonds.

Not that it has been plain sailing—far from it. Gold, for instance, strode confidently ahead from \$164 per ounce at the beginning of the year to an all-time high in October of \$245 only to run out of steam following U.S. moves to bolster the airing dollar.

Inevitably, these included in-

Inevitably, these included in-creased sales of the "non-monetary" metal and the bullion price now of \$207 awaits with some caution the outcome of tomorrow's biggest ever monthly offering of 1.5m ounces by the U.S. Treasury. Meanwhile, the South African gold share market remains depressed by other un-knowns, notably African politi-cal developments and the fear, for a UK investor, of the investment dollar premium departing

forhearance, as the case may be, and the mining houses for all the facilities that they have afforded him. He hopes that all miners and mining investors will in due course.

The Gold Mines index thus stands at only 130.7 compared with its mid-August high of 206.6. have a more prosperous 1979. In ex-premium form, however, the index is at a smaller disthe index is at a smaller discount to its August peak which at long last be allowed to suggests that overseas investors are prepared to take a more deposit in Australia's Northern are prepared to take a more Territory; that the world nickel philosophical view of things while they enjoy high dividend yields from this still prosperous and copper producers will see better times: that the Rio Tinto-

industry.

Platinum has followed gold to

Zinc group will prove that it has
found an Australian diamond a large extent but a major mine; and that gold prices will factor in this case has been the move to new highs in the second factor in this case has been the move to new highs in the second impact on the previous heavy half of the year. over-supply position of a cessa-tion of Russian exports which supply the free market. The price in the free market is currently around \$336 an ounce compared with an October high of \$393 and only \$185 at the

THE DEPARTMENT of Trade beginning of the year. has set up a unit to handle trade relations with China and The price charged by the leading producers, however, has marched steadily forward from Hong Kong. Mr. John Smith, Trade Secretary, announced in a \$180 this year to \$300. Demand Commons written answer. has revived and there has been a dramatic improvement in carrings of South Africa's Rustenburg Platinum Mines. But what remains to be seen is how well trade with China. It would handle export promotion activities will absorb Russian a dramatic improvement in earn-

Following hte big 17 per cent

the U.S. economic uncertainties.

column with many thousands of words, coincided with the retire-

ment of the writer who has been hidden behind the name

He would like to thank his readers for their enthusiasm or

For the coming year he pre-

Unit to handle

Chinese trade

He said the new unit had been

Lodestar for over 30 years.

A week which saw the rebirth of Poseidon, the spectacular rise and fall of which provided this

in the New Year. The best that can be hoped, but not now surely expected, is that the annual rate of inflation

per cent. The worst? That remains to be seen, but perhaps the worst fears on the likely course of wage negotiations in the next three months will not be realised.

present motor insurance pemiums by the companies and underwriters in the market will be insufficient to contain daims costs in the New Year for more

cent from January 1.

national inflation continues at the same level as in 1978; only if car prices and repair costs continue to move in step with national inflation; only if com-pensation awards also keep pace; only if claims incidence does not

that Eagle Star policy-holders can hope that their company will

changes impose on a percentage of policy-holders a double increase and involve inevitable loss of business as disaffected

policy-holders seek a temporarily cheaper market.

In fact Eagle Star had previously raised its rates last July, by an average of 12½ per cent. so that its customers with policies falling due in the first six months of 1979 face an average increase of 21 per cent

year. If my researches are correct, Eagle Star is the fifth motor-insurer this year to increase, or announce an increase in, its rates

moment applies not to renewals

Motor insurance will be dearer

BY OUR INSURANCE CORRESPONDENT

will be worth appreciably less per cent in June, and has in the New Year. so all Legal and General policy-holders are caught with an uplift of about S per cent.

will continue to run at about 8

Another certainty must be that

than a few months.

Take for example Eagle Star's new rates, increased by 8 per

Assuming that Eagle Star is poised to show a working profit on its motor underwriting, this sper cent can be adequate only if per cent can be adequate only if

over the premiums they paid last

cent effective in the New Year,

A review of the position of other major motor-insurers. having regard both to the start date of their last round of increases and the percentage increases, suggests that there will be little good news for their policy-holders,

Certainly those companies in plementing average increases of less than 10 per cent—General Accident, Prudential and Royal—must be looking anxiously at their rating position, as must Norwich Union, which fixed on an average of 11 per cent at the beginning of September.

Commercial Union with 15 certs.

increase was started in June, and Commercial Union may have to raise its rates again before another six months have run. Offices expected to implement

or announce rating increases in the first quarter are Bradford-Pennine; Cornhill; Guardian Royal Exchange; and Minster. As the last increases from these companies were in the 121-16 per cent bracket and their me summer months.

No motor-insurer likes to 12 months, the reasonable change rates more than once a year because more frequent changes impose on a percentage. rises of similar or greater amount will soon be promulgated, with the real prospect that they will be held for much shorter periods than previously.

Post Office cuts rates for Christmas

THE POST OFFICE has announced cheaper telephone and telegram rates over the Christmas period.

Lower cost telephone calls, for

announce an increase in, its rates within the 12 months.

The others are Legal and General, Sun Alliance. Scottish General, and Zurich. though Zurich's second increase at the moment applies not to renewals moment applies not to renewals.

tremains to be seen is how well the market will absorb Russian supplies when they eventually make a full return.

Demand for diamonds has been been unprecedented while, earlier in the year, dealers were created to meet the current high level of activity and interest in but only to new policy-holders.

Both Sun Alliance and Scottish but only to new policy-holders.

Both Sun Alliance and Scottish General policy-holders now reties to China and Hong Kong. In addition, the number of staff bearing with trade matters in the been been unprecedented while, earlier in the year, dealers were created to meet the current high level of activity and interest in but only to new policy-holders.

Both Sun Alliance and Scottish General policy-holders now reties to China and Hong Kong. In addition, the number of staff bearing with trade matters in the bear of calls from Both companies' second increase in the part of the policy-holders.

Both Sun Alliance and Scottish General policy-holders now reties to China and Hong Kong. In addition, the number of staff bearing with trade matters in the bear of calls from Both companies' second increase in the year came into effect on October 1.

Indices

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R, méB, tage.	85.88	85.91	85.97	89,40	86.58	86.47		(15/12)	-	÷:.
Tradeport	205.34	211.14	212.58	214,16	218.64	215.45	261,48 (8/9)	199.51	279.88	12.23 (6/7/32)
[ˈzɪˈrɛies	99.79	99.75	100, 14	100.69	101.72	101.08	176.98 (3/1)	98.35	165.32	19.53 (28#4#Z)
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STANDARD AND POORS

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U.S. BONDS

U.S. DOLLARS

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‡†Banque Nationale

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†Bank fuer Gemeinwirtschaft Finance Co. BY

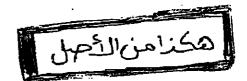
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CURRENT INTERNATIONAL BOND ISSUES

Ay, life

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INTERNATIONAL BONDS

By JOHN EVANS and FRANCIS GHILES

through UBS

Markets begin to wind down

A RETREAT by the U.S. dollar. Swiss franc and Samurai bonds much too intensively, placing 20 years at a semi-annual in most key currency centres gained support. Some Swiss further strain on the markets, coupon of 91 per cent, and a declining level of investor, issues are now up three to four. The dollar sector has gained. It has already arranged a interest left the Eurodollar points from their lows hit a much technical support in \$25m 12-year private placement. bond market in a somewhat vul-

nerable state last week. Prices moved down slowly, ing to the volatile framan situ-with losses extending to around ation and the OPEC meeting a point on the week in many straight issues, after renewed professional liquidation. But dollar. markets were becoming increasingly subdued ahead of the Christmas period, and price movements were often artificial

as some dealers reduced invent-ory or virtually ceased to trade. The dollar's falls, evoding the substantial advance recorded since the Carter Administration's measures some six weeks ago, herped undermane the dat may be reactivated straight sector. Consequently, dollars may be reactivated

last Friday addressed by Dr. Antonio Aureliano Chaves de

indication of the interest with

which Brazil is being watched

by the international commercial

run-up to the change of govern-

One of the subjects discussed

was the future of Brazil's

foreign borrowing programme.

Until the composition of the new government is known,

bankers do not expect definitive

lines of policy to emerge. How-

ever some indications were given

by a Finance Ministry spokes-

or one year's imports value, by

foreign currency requirement will be partly satisfied by draw-

of reduction involved could be

some \$2bn, he suggested. Some

private bankers expect a bigger

37.12.

HONG KON

ment next March.

BRAZILIAN FINANCE

Several analysts were pointdue at the weekend to discuss oil pricing as unsettling for the

Late last week, figures showing a fresh increase in U.S. money supply, coming on top of economist Henry Kanfman's warning that top-rated U.S. bond yields will move up to 10-11 per cent next year, added to uncertainty.

Looking to the new year, measures some six weeks some analysts are concerned helped undermine the that the new issue market in

A future for bonds

jumbo loan for the Federative

Republic itself has not changed.

raising such a loan in the fore-

foreign borrowing next year will

be carried out on the bond

markets was also implicitly

supported by comments at the

The Finance Ministry spokes-man also outlined the Brazilian

Federal Government policy—or

more accurately non-policy-on

the vexed question of restruc-

turing the terms of Brazilian

such renegotiation but that

renegotiation. The question was

borrowers, not for the Finance

the

Meanwhile there are no indi-

cations on whether Electrobras

will prepay the loan which it

individual

He said that attempts to

Euromarket loans.

for

Bankers' expectation that a

seeable future.

Mendonca, the vice-president The idea of such a borrowing

elect of Brazil, attracted over has recently been revived. 500 participants as against the But the spokesman suggested original 320 invited. This is an that Brazil has no intention of

and financial community in the higher proportion of Brazil's

Noting that Brazil's foreign change terms would take place

exchange reserves are now in a few individual cases where expected to reach nearly \$12bn, the loan agreements allow for

the end of this year (the highest Brazil has no intention of

estimate hitherto has been pursuing a policy of general \$11bu), he said that next year's rengoliation. The question was

ing on these reserves. The kind Ministry, he added.

one

much technical support in recent weeks from the relative

absence of new paper. A number of houses are known to be waiting in the wings with potential new borrowers, although conflicting opinion over the near-term U.S. interest rate cycle is clearly posing problems for timing the entrance of new names.

However, European Investment Bank's latest dollar operations at relatively high yields for this name demonstrate that high-quality horrowers are still willing to test the markets at current levels. EIB has privately placed \$100m in New York for

veeks since the lending banks

informed Electrobras that they

would prefer prepayment to a

The negotiations, or "dia-

logue", as the banks prefer to

call it, on the restructuring of

last year's Acominas borrowing

appear to be at an extremely

delicate stage. Various potential

ways of changing the terms have been discussed between

the borrower and the lead man-

agers of the various tranches of

the original financing. But so

far no proposals have been put

Acominas will offer the syndi-

cate the kind of option offered

by Electrobras—a cut in mar-

gins which was unacceptable to

the lending banks or prepay-

One possible basis for agree-

ment might involve an exten-

sion of the final maturity to ten

or twelve years wih a lower

margin being payable for the

additional period.

From the banks' point of

view, and particularly from the

point of view of the U.S. banks,

holding the line on Brazilian

renegotiation is essential. This

to the lending syndicates.

lt seems unlikely

cut in margins

Interest and principal repay-ments for all bond categories should total around \$550m next month before rising to \$786m February. For the quarter, total potential first-quarter, total potential reflows, of which an unknown proportion will be captured by BY MARY CAMPBELL high-yielding Eurodollar interbank deposits, are put at around

Orion Bank studies.

Europe

for

(Securities) on the basis of a 9}-year average life coupon of

the

capacity of the dollar market,

there is clearly plenty of institutional cash waiting on

the sidelines. January will see some slackening in the rate of

reflows of funds back into the

Eurobond market, according to

Among current new issues, demand for the Brown Boveri covered last Friday night. There was a little confusion about the exact yield offered by this bond. on account of its innovative structure which includes a split

However, in calculating the yield the manager has used the as used by the AIBD, taking into account the structure and timing of the split coupon. At a price of par and if held for

twenty years, they will yield 9.32 per cent until maturity. Prices in the floating rate note sector were unchanged from the

previous week. The Deutsche Mark sector of the market has been enjoying more confident tone. There was a good reception for the Deutsche Mark tranche of the Carter bonds, which were nearly three times oversubscribed while the higher yields available to investors on foreign Deutsche Mark bonds made the three priced last week easier

German bankers favourably when the terms of the Carter bonds, the first-ever Deutsche Mark denominated U.S. Treasury notes, were announced as follows: the threeis partly because Brazil has U.S.

to sell in the market.

offers, 5.95 per cent, is at the German domestic bonds of com-

parable maturity.
The yield on the longer tranche, which runs for four years minus one day, is only 6.20 per cent which is in the

absorptive middle of yields offered on lar market, comparable domestic bonds. plenty of The Bundesbank decided to allocate DM1.77bn to the shorter tranche and DM1.26bn to the longer one.
The West German monetary

authorities however have rather mixed feelings about the Carter bonds. Strong support for the principle, according to which the U.S. is now acting to finance its balance of payments deficit, is mingled with some concern less the West German capital market be overstrained.
The other factor at work in

D-mark bonds was the confirmation that the higher yield level set by the terms of the three issues which were priced last week (Republic of Brazil, Nordic convertible was strong while Investment Bank and New the book for the ECSC bond was Zealand) were proving attractive to investors. These issues were trading either at their price of issue or at a discount below that of the selling group, which amounts to one and a half points.

It was still impossible for all the banks which had planned to same annual compound formula bring new issues to convince borrowers concerned to accept the need for better terms than the lead manager might have suggested a few weeks

> Thus Dresdner Bank was unable to bring Amex International to the market for a planned DM70m issue last Thursday and is understood to have postponed the DM50-100m issue for an unknown client.

> Deutsche Bank meanwhile announced a DM200m offering for the European Investment Bank. Indicated terms are in line with current market levels. No new issues are expected in this sector before the end of the year and the Capital Markets Subcommittee will meet on Wednesday to review the situation and decide on the new issue calendar for next January.

This means that Dresdner Bank will have had to forgo the three slots it had in the calprobably the largest in the year tranche attracted more sub- ender of new issues these past syndicated lending market.

263.7 231.1

BONDTRADE INDEX AND YIELD

8.45 96.51 8.40 9.18 91.24 9.09 EUROBOND TURNOVER

(nominal value in \$m) U.S. dollar bonds

ious weel

Creditanstalt-Bankverein 7.78 KUWAITI DINARS Ind. Bank of Finland (g'teed Finland) 1989 74 KIC Not yet priced. † Floating sate note

1986

1985

1989/94

1986 1986

By DAVID LASCELLES

Degrees of pessimism THE MARKET was buffeted future than Wall Street. The as shown by the lack of buyer business circle, which includes interest in the two major issues

from all sides by economic and political news last week-not all of it bad-but the net effect was to push bond prices down and produce yields which set new highs in this interest rate cycle. Triple A utility and industrial bond yields typically rose 10 basis points over the medium-term week. with utilities now yielding 9.30 and industrials 9.10 per cent.

Among the bad news was a series of year-end economic from various Wall. reports Street institutions, most of them predicting higher interest rates and a recession next year. Notable was Salomon Brothers' forecast of higher inflation and constraints leading to credit rationing. The failure of Mr. Vance's Middle East peace mission was also demoralising, and the weekend's OPEC meeting hovered like a dark cloud on the horizon.

On the other hand, both of the country's most influential financial figures, Mr. Michael Blumenthal, the Treasury Secretary, and Mr. William Miller, the Fed chairman, gave sobersounding testimony to the Congressional Joint Economic Committee, emphasising the need to beat inflation without ikely effects on interest rates.

The business community seems

pessimistic about the

top corporate executives, says there may not even be a recession next year.

supply figures showed slight increases in both M1 and M2. the running averages still priced at par. These bonds were appear to lie within the target only three quarters sold by the By Thursday the market had

lost some ground, but it was pushed sharply down on Friday by figures showing a surge in both consumer spending and industrial production in October. which the market read as portending continuing pressure on interest rates. This applies particularly to

the short-term market, where rates rose sharply last week. Three and six month Treasury bills are now within about half a percentage point of the highs they set in 1974.

According to Mr. Alan Lerner, economist at Bankers Trust. there was a \$28bn increase in short-term borrowing in the first 11 months of this year, and the pattern of the rise closely parallels the record year of 1974. He comments: "The economy's strength and the concurrent demand for credit foreshadows continued upward sounding too alarmist over the pressure on interest rates as we enter the new year."

of the week. Ford Motor Credit Company issued \$350m of bonds in two parts \$250m of 94 per Though the latest money cent due 1985 priced at 100.125 upply figures showed slight to yield 9.47 per cent, and \$100m of 9.55 per cent due 1989.

> end of the first day, despite The latest Bell System issue. \$150m worth of Mountain States T & T, faced greater resistance. The Triple A rated 9; per cent bonds due 2014, were priced at 99.80 to yield 9.27 per cent, but, sold very slowly and were offered for resale within 24 hours, when the yield shot up to 9.38 per cent, the highest for a Bell issue this time round.

The one novelty of the week

was the U.S. Treasury's sale of \$1.5bn worth of DM denominated bonds on the German capital market. The apparent success of this new venture brought about a brief rally in the market in mid-week since it was interpreted as reducing the Treasury's domestic borrowing requirement. The D-marks will warehoused at the Fed. which will credit the Treasury with an equivalent amount in dollars. However, the Treasury's borrowing on the domestic market is expected to remain high, despite the possibility By contrast, the long-term bond market remains sluggish, denominated issues.

artempted, without success, to The spokesman said that renegotiate. It is now several

FT INTERNATIONAL BOND SERVICE

te list shows the 200 latest international bonds for which as adoquate secondary market exists. The prices over the past were supplied by: Bondtrade: Kredlethank NV; Credit Commercial de France; Credit Lyonnais: E. F. Rution Services Commercials AG; Deutsche Bank AG; Westdeutsche Landesbank Givzentale; Banque Internationale Luxembourg; the Bank Lyonnais: Bank Bank Bank Noterian NV; Person, Heidring and Pierson; Credit Sunkser-Swiss Credit Bank: Union of Switzerland; Akrayd and Smikheru; Bankers Trust-International; Banque Prancaise de Credit International; Citicorpational Bank: Daiva Barope NV; Deltec Trading Company; Dullen Rend Oversea Corporation: EBC: First Chicago; an Sachs International Corporation: Hamburg Bank; IBJ International; Hill Samuel and Cu.; Kidder Peabody International; Lyoch; Morgan Stanley International; Neshitt Thomson: Salonna Brus. International; Samuel Montaga and Co.; International; Samuel Montaga and Co.;

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Mac Blocdel 91 93 NZ Dev. Fig. 84 83	29 20	64] 66]	971 945 945	63 8	-11 -01	9.65 9.71 9.56	-]
Nat. West. 9 86	75	977 972	984 984	0 - 01	-02 -62	934	
Nord Inv. Bk. 53 88 Norges Komm. 94 98 Norman 72 88	75 75	971	973 973	· 63	- 65 - 65 - 65	9.33 9.63 9.71	
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DEUTSCHE MARK STRANGHTS Argentina 8: 88 Asian Develop. Bk. 5: 85 Australia 6: 85 Australia 6: 85 Australia 6: 85 Australia 6: 85 Boue. Ext. Algerie 7: 85. CECA 6: 88 Canada 42: 85 Canada 42: 85 Commerzbank Int. WW 32 Int. Services 6: 83 Int. Services de Elet. Margiero 6: 85 Minsubishi Petro. 3: 85 Nippon Steel 5: 85 Norges Komm. 6: 30 Norwestan Ind. Bk. 6: 80. Petruleo Brazzii 7: 86 PK Banken 5: 83 Cucbec, Province of 6: 90 Ratiaratukki Oy 5: 88 Ricoli 5: 83 Scalio 6: 88 Stalioli 6: 88 Sta	· •			Chan	ge on		
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Bone. Ext. Algerie 74 85 CECA 6 88	153	. 95- 96- 97	971	+81	+21 0	7.85 6.38	-
Chase Manhattan O/S 6 83	- 300	981 1811 1831	982 1822 1837	-0i	. 0 	-5.79 5.78	_
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Norway 41 83	250 125	963 97E	972 983	-63	-81 -81	5.17 6.25	
PK Banken 52 88	. 188 150	934 954	941	- 81		6.66 6.54	
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SWISS FRANC			:	Chart	ве оп	، ن ا	
SWISS FRANC STRAIGHTS Acces 54 35 American Exp. Int. 34 93 Attibute Tunnel 4 93 Assa 32 93 Austria 33 93 Austria 33 95 Frant 44 Chase Manharan 4 93 COURD 47 90 Council of Europe 44 Europearica 32 93	125EU86 42 46	104 204 991	0ffer 1842 992	+63 493 493	week +1 -0i	Yield 4.78 3.57	
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BNDE 5 88	75 230	3803 284	1961	+02 +02	+41	4.99 4.05	

	YEN STRAIGHTS Asian Dev. Bk. 54 88	Ismec	Bld	Offer	day	week	Yield
	1 RFCE 6490 ·	35	963 953	971) 952	+64	+01	6-20 7.10
		18 25	962 1002	97)	-02	9	6,82
	Norway 5.7 83		963	107 <u>3</u> 973	+0 <u>4</u>	-01 +03	5.48 7.68
ĺ	- Sweden 6.3 98	#	954	957	0	-03	6.99
	OTHER STRAIGHTS) carrari	BIN	Office.	Chan	week	Vield
	To-ab A/C H-I4 11 Lab	-	961 961	963	Ō	+07	12.81
	Auto Cote Basq, 7 93 EUA	16 30	951	961	O D	-04 0	7.45 7.37
	Finland ind. Bk. 7 98 EUA	15	95	97.1 96k	Ď	-61	7.44
	Auto Cote Basq. 7 83 EUA. Copenhasen 7 83 EUA. Finland ind. Bk. 7 84 EUA. Romm. Inst. 74 33 EUA. Panama 81 22 EUA. Panama 81 22 EUA. Algemene Bk. 84 63 Fl. Brazil 74 83 Fl. CFE Mesteo 73 EUS.	15 29	964 954 953 971 971 971 967 937	963 963 993	0	0à	7.65 2.70
	SDR France 7 53 EUA	22 75	97	983 912	+67	-01 -01	8.70 7.26 8.70
•	Brazil 71 83 Fl	75 75	937	945	+01	+07	9.88
i			967	972 932	+0±	+03	8.47 8.57
	Neder Widdonh & St VI	75	731	931	+01	+64	- 8.28
	New Zealand 63 Kt 17	75	457 41	91.3 927	-01	-02 +81	8.76 8.65
1	Nerway 61 83 F1 OKB 61 85 F1 E1B 91 88 FFT	75	892	90 <u>4</u> 982	. 0	-01	8.5 5
	Unilever 10 85 FFF	280 188	9 <u>81</u> 1084			+0}	9.98 9.89
j	BAT S SS LUEFY	250	1084 952 954	968 968 964 964 977	ě	+04	8.60
	EIB 72 88 LUEF	250 250	951	96 <u>4</u>	Đ	+입 +입	8.75 8.42
	Finland I. Fd. 9 88 LuxFr	258 758	95) 95) 96)	96 <u>1</u> 972	0	-04 +04	8.62 8.44
ļ	Uniter 10 85 FFF Uniter 10 85 FFF BAT S 85 LUEFF BAYER LUE 8 85 LUEFF EIB 72 88 LUEFF Finiand 1. Fd. 9 85 LUEFF Norway 72 83 LUEFF Remailt 74 88 LUEFF Remailt 74 88 LUEFF Solvay Fin 9 85 Terres	586	97	48	ŏ	+81	8.32
		206 200	100) 99	1911 100	+0ž	+05	7.25 8.07
	Swedish I. Bk. 3 BS LuxFr Gestetner Hid. BV II SS L Whithread 101 90 \$	18	872	88.	+65	+22	13.22
	FLOATING RATE	15	85	26	•	-1	12.99
ļ	NOTES S	presd				С.срп	
Ì	American Express \$2. Arab Intl. Bank M6.5 \$3. Banco El Salvador M8 \$3. Banco Na.: Argent M8 \$3. Bank Handlewy M8 \$8. Bank Handlewy M8 \$8. Bank Ext. d'Alg. M8.375 \$4. Bangus Worms M5.5 \$3.	97 97	99 953	991	20/4 31/1	93 93	10.71 9.77
ł	Banco El Salvador MS 83.	ij.	95) 96)	972	12/4	31_31	22.65
	Eank Handlows MB 38	13	952	97 <u>1</u> 972	22/1 25/11	92 12.94	9.66 13.29
	Bank of Tokyo M55 83	·61	962	971 987	18/4	201	20.24
٠,	Bq. Ext. d'Alg. 168.375 81	67	971 962 983 964	972	15/12 9/2	96 '	9.13 9.92
1	Return India of Street Mits.	20		961	9/2 2/5 25/1	124 91	13.28 9.55
١	Eq. Int. AIT. Obc. M&5 83	D.	977 963 964	972	12/1	92	9.65
ĺ	Bq. Int. Adv. Obc. Ma.5 83 CCCE M3.2 83 CCF M3.2 83 Chase Man. O.S Ma. 83 Credit National ES; 88 Gotabanken M6 83 Int. Bank Japan M5; 83 Linblianska M7.75 85 Lirblianska M7.75 85 LTCB Japan M5; 85	81	964 993	97 <u>1</u>	3/2 3/5	9 <u>19</u> 12]	9.45 12.31
ł	Chase Man. 0/8 M52 83	67	97)	992	27/1	9.32	9.55 9.39
ı	Gotabanken M6 88	04 83	97) 97)	98). 97)	11/1 15/5	9.19 12.31	12.61
l	Ind. Bank Japan M5; S5	QĮ.	97章 明社 97章	99) 98) 96)	1/6 27/4	12.31 12.35 111	12.47 11,49
١	Ljubljanska 147.75 85	1	96	***	17/4	102	10.64
1	LTCB Japan M51 35 Midland Intl. M51 93	03 03	984 971	99 98	9/5 20/1	12.86 9.44	12.22
ł	Nat. West. M54.90	0ž	977	485	23/12	9.31	9.49
Į	Midland Intl. May 33 Nat. West. M54 90 OKB M51 88 Offshore Mining 88	97	994	100 982	18/4 19/1	10.56 9.44	10.59
Ì	SPITE MR 83	62	981	982 983 974	5/4 30/2	9.44 10.69 8.94	10.85
1	SFTE M8 83 Standard Chart, M5 90 Sundavallabanken, M6 85	81	981 961 961 961	97)	4/4	10.06	10.37
1	CIG. OVERSESS DE MO ST	er	98) -	99	4/5	12.31	12.47
1	CONVERTIBLE BOMDS ARIES 37 93 Raker Int. Fm. 57 38 Roots 67 93 Coca-Cola Bottling 64 Inc-Yokalo 35: 93 Novo Industri 7: 93 Texas Int. Air. 73 85 Thorn Int. Flg. 7 38 Tyco Int. Flg. 7 38 Tyco Int. Flg. 85 Tyco Int. Flg. 58	av. (Price	Bid I	Offer	Chg. day i	Premi
Į	Arker Int Fig. 11 60	9/78	622	182	103	-04	13.42 11.37
1	Boots 6: 93	2/79	226	92	931	+0£ -	-2.88
1	Coca-Cola Bottling 64	9/79 6/72: '	9 1473.	39Z 130Z	91 <u>1</u> 1311	+0i ·	-0.34 i
j	Novo Industri 7 89	4/19	259	902	917	-11	13.49 10.57
1	Thorn Int. Fig. 7 381	ĭ∕78	3.67	1813 2813	731 1028	+67 - +65	
۱	Tyco lat. Fin. 84 88	9/78 5/78	21 61.5	7702 7702	1821 75	+62 +62	11.42 37.90
ļ	Tyco Int. Fin. 34 88 Tyco Int. Fin. 3 84 Asabi Optical 35 DM Launo Comp. 31 85 DM Lyuniya 31 86 DM Lyuniya 31 86 DM Lyuniya 31 86 DM Lyuniya 31 86 DM Marudai Food 31 DM Marudai Food 32 DM Nippon Afr. 3.5 85 DM Nippon Afr. 3.5 85 DM	2/78	588 641	753	441	-01 -	-5.02 j
ŀ	2200152 31 86 DM	0/78	987	193å 98j	94i 184i 99i 96i 96i	+44 -	-3.47 -2.72
ļ	Jusco 3: 86 DM	1/79	1270 612	951 951	961	-11 -	3.88 -1.97
1	Marudai Food 31 DM	2/79 ∶	1033	991	100¢	+01	6.76
İ	Murata Man. 31 85 DM 1 Nigong Air. 3.5 88 DM	1/72 2/72	254 508	94 <u>7</u>	95% 92å	-85 -	-6.30 -3.63
١	Mirata Sal. 37 Sa DMI Nippon Air. 35 Sa DMI Nippon Yusea 34 Sa DMI Nissan Diesei 25 Sa DMI Olympus Optical 34 Sa DMI	8/78		115	376	-1	466
1	Nissan Diesel 33,88 DM	2/19	477	951	962 966	-Di	4.01 [
ļ			703 517	987 1823	997	-6	-122
ł	Sankyo Electric 33 DM	E/78	867	1122	1131	-02	3.20 1
1	Sanyo Electric 34 DMI Sciru Stores 32 86 DM	1/78 9/78 :	275 1275	902	912 2148	-03 -	0.63 -7.33
ļ	Sankyo Electric 1 DM	1/78	经	941	95) 97.j	-0} -02	4.96
Į	. Ko intermation was			_		_	
١	† Only one marke	t muk	EF \$11	optied	a pri	ce.	i
ļ	Straight Bonds; The yield mid-price; the amount i units except for Yen bon	is the	e yiek	i to r	edem	Nion (of the
ļ	units except for Yen bon	usued Os. wh	15 أور 16 أوران	is in	1000 1000 1000	19. C	hange
ŀ	on week=Change over p	rice a	week	earli	er.	nines :	niber.

Dirección Nacional de Vialidad

ouncement appears as a matter of record only

U.S. \$70,000,000

Ten Year Loan

Guaranteed by

The Republic of Argentina

Managed by

The Bank of Tokyo, Ltd. Midland Bank Limited

Republic National Bank of New York/ Trade Development Bank, London Branch

European Banking Company Limited

The Taiyo Kobe Bank Limited

The Tokai Bank, Limited

Co-Managed by

The Yasuda Trust and Banking Company, The Mitsubishi Trust and Banking Limited Corporation

Provided by

European Banking Company

Midland Bank

The Taiyo Kobe Bank

Trade Development Bank,

The Mitsubishi Trust and Banking Corporation The Tokai Bank

The Yasuda Trust and Banking Company

Republic National Bank of New York (International)

The Daiwa Bank

The Hokkaido Takushoku Bank The Mitsui Bank

The Bank of Nova Scotia International The Bank of Yokohama The Kyowa Bank, Ltd.

The Saitama Bank, Ltd.

Agent Bank

European Banking Company Limited

December, 1978

The Bank of Tokyo, Ltd.

OFFSHORE AND OVERSEAS FUNDS AUTHORISED UNIT TRUSTS National and Commercial 31, St. Andrew Square, Edinburgh. 78.7 8.06 G.T. Four Yesfel 54.2 71.5 +0.2 698 G. & A. Trust (a)(g) 42.9 +0.1 7.16 Tyndali Managers Ltd.9 3 Frederich's PI, Old Jewry, EC2 01-588 4111 (a) A.G. Income* 42.5 46.21 9.00 (a) A.G. Growth 1.75 34 34 0.00 (a) A.G. Growth 1.75 9.34 0.00 (a) A.G. Far East 25.0 97 2 0.80 Ocaling *Turs. +TWed. | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | Mittor Court, 160.4 b3.5 TV.5 807 Neistar High Inc. 49 0 51.5 +0.11 807 Norwich Union Insurance Group (b) P.O. Box 4, Norwich, NF1 3N6. 0603 22200 Reyal Tst. Can. Fd. Mgrs. Ltd. 0.603 22200 Reyal Tst. Can. Fd. Mgrs. Ltd. 01.629 8252 Capital Fd. 71.5 +0.4 3 65.2 Capital Fd. 72.70 New dealing December 29. TSB Unit Trusts (y) 21 Cherry Way, Anderer, Hants. Dealings to 0264 63432.3 (b)TSB General 45.7 (c) Do. Accum. 58.8 040364141 237.9 +0.2 3.95 239 3 3 INSURANCE AND PROPERTY Citive Investments (Jersey) Ltd. Prices on Dec. 7. Next de P.O. Box 320, St. Helier, Jersey 0534 37361 Rothschild Asset Sigt. (B Schroder Life Group® COLL NIESE GRING FAME MINUTED STATE OF THE PROPERTY OF THE PR 70 L & C Unit Trust Management Ltd.♥

Financial Times Monday December 18 1978

Description	Telephone
ROLLING MILLS Sin x 12in x 10in wide yariable speed	er Error (1997) Ger Error (1997)
Four High Mill. 3.5in x 8in x 9in wide variable speed	
Four High Mill. 10in x 16in wide fixed speed Two High Mill. 10in x 12in wide fixed speed Two High Mill.	
17in x 30in wide fixed speed Two High Mill. 24in x 36in wide x 300 HP Two High Mill.	0902 42541/2/3 Telex 336414
1973 THOMPSON & MUNROE STELP STRAIGHTENING & Cor-to-Length machine.	0902,425411213 Telex 336414
1970 CUT-to-LENGTH mak capacity 1,000 mm 2 mm x 7 termes coil fully overhauled and in excellent condition.	0902 42541/2/3 Telex 336414
STRIP FLATTEN AND CUT-TO-LENGTH LINE by A.R.M. Max. capacity 750 mm x 3 mm.	
FARMER NORTON 18in WIDE CUT-TO- LENGTH LINE, Max, capacity 15in x 10 s.w.g.	0902-42541/2/3 Telex 336414
RWF TWO-STAND WIRE FLATTENING AND STRIP ROLLING LINE, 10in x 8in rolls x	
75 hp per roll stand. Complete with edging rolls, turk'n head, flaking and fixed recoilers.	enen meur Pita
air gauging, etc. Variable line speed. 0/750 ft/min and 0/1.500 ft/min.	0902 42541/2/3 Telex 336414 0902 42541/2/3
SLITTING LINES (2) 300 mm and 500 mm capacity. 8 BLOCK (400 mm) IN LINE, NON-SLIP WIRE	Telex 336414
DRAWING machine in excellent condition. 0/2,000 ft/min variable speed_10 h.p. per.	0902: 42541/2/3
block (1968). 24in DIAMETER HORIZONTAL BULL BLOCK	Telex 336414 0902 42541/2/3
by Farmer Norton (1972). PACEMAKER SIX BLOCK (22in x 25 h.p.)	Telex 336414
variable speed Wire Drawing Machine by Marshall Richards.	0902 42541/2/3 Telex: 336414
2 15 DIE MS4 WIRE DRAWING MACHINES, 5,000 fr/mm with spoolers by Marshall	0902 42541/2/3 Telex 336414
Richards. 9 DIE 1,750 ft/min SLIP TYPE ROD DRAWING MACHINE equipped with 3 speed 200 h.p.	Telex 334117
drive 20in, Horizontal Draw Blocks, 22in Vertical Collecting Block and 1,000 to	
Spooler. (Max. Inlet 9 mm finishing down to 1.6 mm copper and aluminium.)	0902 42541/2/3 Telex 336414
7 and 9 ROLL FLATTENING & LEVELLING MACHINES, 20in, 36in, & 72in wide,	0902 4254) /2/3 Telex: 336414
100 TON CAPACITY COINING PRESS by Taylor & Challen—virtually unused—fully	0902 42541/2/3
automatic 160 s.p.m. x 34 mm stroke. HYDRAULIC SCRAP BALING PRESS	Telex 336414
by Fielding and Platt, 85 ton main ram pressure.	0902 42541/2/3 Telex 336414
TYPE 10004R CINCINNATI PLATE SHEAR, max. capacity 1,000 mm x 25 mm M.S. Plate,	0902 4254172/3 Telex, 336414
complete with full range of spares. No. 1 FICEP SHEAR, max. capacity 50 mm rounds, 75 mm x 35 mm bar, 400 mm x 10 mm	
flats (spare shear blades). CAYMAN ALLIGATOR SHEAR, max. capacity	Telex 336414
90 mm rounds, 300 mm x 40 mm bar and 600 mm x 16 mm flats (spare shear blades).	0902 42541/2/3 Telex 336414
CINCINNATI GUILLOTINE 2,500 mm x 3 mm capacity complete with magnetic sheet	0902 42541/2/3
supports and motorised back stops. 1974 FULLY AUTOMATED COLD SAW	Telex 336414 0902 4254172/3
by Noble & Lund with batch control. 3 CWT MASSEY FORGING HAMMER—	Telex 336414 0902 4254172/3
pneumatic single blow. COLE MOBILE YARD CRANE, 6-ton capacity	Telex 336414 0902 42541/2/3
lattice jib.	Telex 336414
WALDRICH COBURG HYDRAULIC PLANER capacity 160in x 50in x 50in. Almost new	01-928 3131 Tolor 261771
condition. 4000 TON HYDRAULIC PRESS. Upstroke	Telex 261771 01-928 3131
between columns 92in x 52in, daylight 51in. ANKERWERK 400 TON INJECTION MOULDER	Telex 261771 01-928 3131
UPSET FORGING MACHINE	Telex 261771 01-928 3131 Telex 261771
4in dia, 750 tons upset pressure. 2,000 TON PRESS, Double action area 132in x	Telex 261771 01-928-3131 Telex 261771
84in. WICKMAN 23in 65P AUTOMATICS 1961 and 190	63 01-928 3131 Telex 261771
EXCELLENT CONDITION. WICKMAN Hin AUTOMATICS, 6 sp. Excellent	01-928 3132 Telex 261771
WICKMAN I in AUTOMATICS, 6sp. Excellent.	01-928-3731 . Telex 261771
CINCINNATI CENTRELESS GRINDER.	01-978 1131 Telex 261771
LINDNER JIG BORER, very accurate.	01-928 3131 Telex 261771
SLOTTING MACHINE, I fin stroke, excellent.	01-928 3131 Telex 261771
	أحسست

COMPANY NOTICES

organize (54)

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NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS Issued in respect of shares of

OLYMPUS OPTICAL COMPANY, LTD. CAPITALISATION ISSUE 1978

S. G. WARBURG & CO. LTD., as Depositary, hereby gives notice the Board of Directors at a Meeting held on 29th September, 1978 resolutions and issue 4,232,000 new fully-paid shares of Yen 50 each, as November, 1978. These shares will be allosed to Shareholders registered on the books of Company as at 3 p.m. (Tokyo Time) on Mar October, 1978, in the of 0.05 new share for every I share already held by them. Fractions be sold and the proceeds paid in cash to Shareholders in proportion to entitlement.

Holders of Bearer Depositary Receipts may now present Coupon No. 25 the offices of the Depositary or any of the dedermentioned Sub Depositaries a whom application forms can be obtained.

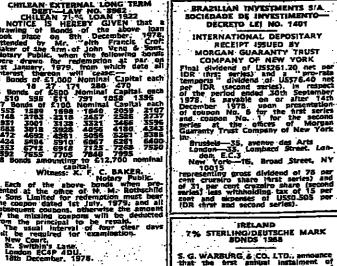
DEPOSITARY:--

S. G. WARBURG & CO. LTD., Coupon Department.
St. Albuns House, Goldsmith Street, London EC19 2DL SUB-DEPOSITARIES:-

The Bank of Tokyo, Ltd.,
The Bank of Tokyo, Ltd.,
The Bank of Tokyo, Ltd.,
The Bank of Tokyo Trust Company.
Algemens Bank Nederland N.V.,
Bandan General de Luxembourg. S.A.

Temporary Receipts will be laued for exchange into new Bearer Receipts in January, 1979.

18th December, 1978



LEGAL NOTICES

COMMONWEALTH OF THE RAHAMAS IN THE SUPPLEME COURT CHAIR THE SUPPLEME COURT COURT THE THE SUPPLEMENT OF THE SUPPLEMENT OF THE SUPPLEMENT OF THE COMPANY LIMITED (AND IN THE MATTER OF THE COMPANIES ACT (CHAPTER 184) AND IN THE MATTER OF THE COMPANIES ACT (CHAPTER 184) THE COMPANIES ACT (CHAPTER 184) THE SUPPLEMENT OF TH COMMONWEALTH OF THE BAHAMAS IN THE SUPREME COURT WEBEC CENTRAL RAILWAY COMPANY 4% FIRST MORTGAGE DEBENTURE
STOCK
In preparation for the payment of the
half-yearly interest due February 1 1979.
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ART GALLERIES AGNEW GALLERY, 43. Old Bond St. W.1. 01-529 6175: DRAWINGS FOR CHRISTMAS PRESENTS. UNID 22 Dec. Mon-Fri. 9.30.5.30, Thurs. until 7.00.

U.S.\$11,250,000 nominal amount of bonds will remain outstanding on 15th

30 Gresham Street, London EC2P 2E8. 18th December, 1978.

W. E. REEVE. Assistant Secretary.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	V
Dec. 27-Jan. 7		В
	Boys' and Girls' Exhibition (021-643 9281)	
Dec. 29—Jan. 7 .	Holiday '79 Camping Outdoor Holiday Exhibition and Motor Caravan Show (01-262 2886)	E
Jan. 3-14	London International Boat Show	E
A 447.	(Weybridge 54511)	E
Jan. 4-13	Model Engineer Exbn. (Hemel Hempstead 63841)	W
Jan. 5	BCS 79—Living with Computing (01-637 0471)	Bi
	DOS 13 TAVING WICH COMPANIE (VI-SO) 07117	ы
Jan. 6-14	Racing and Sporting Motorcycle Show (01-226 7901)	H
Jan. 7-10	BFM Furniture Show (01-724 0851)	N
	DI'M I MINISTE DEST (01-121 0001)	***
Jan. 7—11	New Year Gifts, Jewellery and Leathergoods Trade	Be
	Fair (061-969 3103)	ъ
Jan. 1317		-
Yan, 1317,,	International Toy Fair (01-226 6653)	E
Jan. 14-17	Stationery Industry Exhibition—STATINDEX	G
7	(01-580 9256)	
Jan. 16—18	Micro-Electronics for the TV Industry—TV-MEX (01-486 1951)	N
Jan. 16-18	International Domestic Electric Appliances Exbn.	N
20 201,111,11	-IDEA (01-486 1951)	
Jan. 23-25	Amusement Trades Exhibition (01-228 4107)	Al
Jan. 28 - Feb. 1	Lightshow 79 (0248-88 396)	Õ
Jan. 30—Feb. 1	Fancy Goods and Gift Trade Fair (041 334 9249)	
	rancy doors and dut 11206 Latt (041 994 \$249)	Cı

Singley Hall, Birmingham Earls Court Earls Court

/embley Conference Collisionsbury Centre Hotel. WC1 Nembley Conference Centre Korticultural Halls, SW1 Vational Exhibition Centre, Birmingham Belle Vue, Manchester Exhibition Centre, Harrogate Grosvenor House, W1

> lational Exhibition Centre, Birmingham Vational Exhibition Centre, Birmingham Jexandra Palace, N22 lympia umberland Hotel, W1

OVERSEAS TRADE FAIRS AND EXHIBITIONS

OATV	EAS IRADE FAIRS AND	EXILID.
an 8-11,	. Hotel and Restaurant Industry Fair—HORECAVA (01-228 2880)	Amsterdam
an. 10-14		Frankfurt
	International Boat Show	Paris
an. 18—21	Station Equipment—AUTO-ZUM	Salzburg
an. 20—28	International Boat Show-BOOT (01-409 0956)	Dusseldorf
an. 22—27	International Audiovisual & Communications Show	Paris
an. 2228	Tourism and Recreation Fair—VAKANTIE (01-486 1951)	Utrecht
an. 26-Feb. 4	International Green Week (01-540 1101)	Berlin
an. 30—Feb. 4	Holiday and Leisure Fair (Dublin 763385)	Dublin

ONFERENCES

BUSINE	SS AND MANAGEMENT C
Current	BIOSS: What is Organisation Development?
Dec. 19-20	(Uxbridge 56461) (until December 19) LAMSAC: Project Co-ordination (Basic) Seminar (01-828 2333)
Jan. 2-5	Reading University: Science Teachers' Conference (Reading 85123)
Jan. 3—5	CALUS: Shopping Centre Management (Reading 861101)
Jan. 4—6 Jan. 7—12	BCS: Living with Computing (01-637 0471)
Jan. 8—9	Leeds University: Traffic Data Collection (Leeds 35036)
Jan. 8—9	Reading University: Small scale energy for developing countries (Reading 85123)
Jan. 8—Feb. 2 .	Urwick Management: Management for the Young Executive (Slough 34111)
Jan. 10—11	IPM: The Secretary in Personnel Management (01-387 2844)
Jan. 10—13	Management Centre Europe: Seminar on Electronic Surveillance
Jan. 11	AGB: Detection Devices (01-353 3651)
Jan. 11	C and CA: Concrete in Hot Climates-Admixtures and Curing (Fulmer 2727)
Jan. 12	Leeds University: Transport and the Inner City (Leeds 35036)
Jan. 1419	RRG: Risk Management in Practice—Study Course (01-236 2175)
Jan. 14—19	IPM: Advanced Interviewing and Assessment Skills (01-387 2844)
Jan. 14—19	Bradford University: Group and Personal Effective- ness; Skill with People (Bradford 42299)
Jan. 14—19	Bradford University: Managing Management
le	Development (Bradford 42299)

Jan. 15-16...... Philip Thorn Associates: Legal and Banking Environment for Foreign Banks in U.S. (Guild-money (Asant 23711)
ESC: The requirement to notify hazardous installations—a checklist for action (Uppingham

Jan. 16 Jan. 16-17 Frost and Sullivan: Marketing of Foods Beverages in the U.S. market (01-486 8377) ASM: Network Analysis Techniques for Planning and Controlling Projects. (01-385 1992) FT Conference: Business in the Gulf (01-236 4382)

Brunel University, Uxbridge London Graduate School of Business Studies, NW1

Reading University New College, Oxford Bloomsbury Centre Hotel, WC1 Shillingford Bridge Hotel, Oxon.

Leeds University Reading University Urwick Management Centre Whites Hotel, W2

London venue disclosed when booking

Fulmer, Slough Leeds University

Tower Hotel, E1 Highgate House, Creaton, Management Centre, Bradford

Heaton Mount, Bradford

Cafe Royal. W1 Kensington Close Hotel, W8 Carendish Conference Centre, W1

Mayfair Hotel, W1 Piccadilly Hotel, W1 Grosvezor House Hotel, W1

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TOBAY reration Radiant Metal Finishing Scottish and Newcastle Breweries COMPANY MEETINGS-Bolton Textile Mill, Winchester House. 100, Old Broad Street, EC. 12 Border and Sthen, Stockholders Tst., Win-chester House, 100, Old Broad Street. School Services (Sec. 12.49)
Square, WC. 2.30
Drayfon Cons. Tst., 117, Old Broad Street. EC. 2.35
Fleate: and Ind. Tst. Abertoon Rooms.
Gratt Eastern Hotel. EC. 12
Ragida Prop. Tst. Winchester House. 100.
Old Broad Street. EC. 11
Scothan Natl. Tst. Ashley House. 121195. West George Street. Glasgoow, 12
Seedeleel Gear Case, Tame Road, Witton,
Birmingham, 12 BOARD MEETINGS-BOARD. MDE FITCHS

Finals:
Jackson (J. and H. B.)
NOTE Brit. Steel
Softeby Parke Bernel
SA Land and Explira.
Information Asphalt
Brit. Steam Specialties
Classiv. Brgs.
Crown House
Darge Inv. Tst.
Monk. (IA.)
Siahe Gorman DIVIDEND & INTEREST PAYMENTS-Distributed & Interest Payments—
Sandrates 0.85p
Bit. of Ineland 8.5p
Bit. of Ineland 8.5p
Bit. of Ineland 8.5p
Covener 1.3 ppt Red. 5tk. 1980 64pc
Lincher 1.3 ppt Red. 5tk. 1980 64pc
Lincher (Andrew R.) 0.0107p
GATX Con. 1.5p
Honorwell Inc. 155cts.
1.40d-6ec. Inv. 1st. 0.5772p, (Supp. dist.
0.4 year ended 31.3-78) Do. 1.5p
Phore Inc. 20cts.
Photor (Kousen) 1.2p
Prop. Partnerships 1p
Terp-Consulste 1.75p

COMPANY MEETINGS-

SOARD MEETINGSestinghouse Srake and Signal intarima:
Country and District Props.
Elect and Gen. laws.
FMC.
Laurence Scott
Physic
Stathoge Gen. law.
Lec. Abrasives

DEVIDEND & INTEREST PAYMENTS-CLRP Inv. Tet., 1.3p Cambrian and Gen. Secs., 2.375p Downlebrae 0.75p Elestroad Ring Mill 01.5p Jatel-4p Portmouth and Sunderland Newspapers Ord. (3.939523p) (Slipp. dist. of 0.0540393p) 0.0340295p) cottish Netl. Tst. 2.5p. abel Bros. 2.75p larry (8. W.) 7.5p

WEDNESDAY, DECEMBER 20 COMPANY MEETINGS-W. 12-irs. Empire Secs. and Gen. Tst. Saddlers' Hall. Gutter Lane. Changoide. EC. 12 Steps Inc. and Geograf Ind. Tst. 117. Old Broad Street. EC. 2.30. easily lot. Tst. New Court. St. Swithin's Gudde Inc. 181. 98-88, Marsham Street. SW. 11-181. 98-88, Marsham Street. SW. 11 One and Hambly, Wischester House, 100, Old Broad Street, SC. 11.30 Nexthern Ind. Improvement Tst., Bise-biouse, Washington, Tyne and West, 18, 36 10.36 The North Property of the Statish-Cities Inv. Tat. Winchester House, 100. Old Broad Street, EC, 12 Welken, Royal Westminster Hotel, 49. Buckingham Palace Road, 5W, 11 Wennya Inv. 4, Melville Crescent, Edinburgh, 12

BOARD MEETINGS

DIVIDEND & INTEREST PAYMENTS-DIVIDEND & INTEREST PAYMENTS—Boath (Inthin: 1.50/75)
Breatwin of right bds. Red. (20-12-78)
£4.0024
CAL Livis. SOcts.
Cullens Storts ADrid. 0.75p
Davestry 7-spt Bds. Red. (20-12-76)
£4.0024
Esliaburgh 7-spt Bds. Red. (20-12-78)
£4.0024
Esliaburgh 7-spt Bds. Red. (20-12-78)
£5.0024
Esliaburgh 7-spt Bds. Red. (20-12-78) 74pc Bds. Red. (20-12-76)

24 7-Apr Bds. Red. (20-12-78) \$4,0024 Prudential Inv. Tst. 1.50 one 7-Apr Bds. Rcd. (20-12-73) N. Bedicroshire 74sc Bos. Rej. (20-12-75) 24.0021 N. Cornwall 74spc Bos. Red. (20-12-78) 54.0024 Part Eds. Rep. SpcGoldEds. 1-pure Ports Alegra Gtd. SpcGoldEds. 1-pure Shtor 7-spc Eds. Red. (20-12-76) E4.0024 Particular Page Eds. Red. (20-12-75) 74: 8ds. Red. (20-12-72) £4.002: Alegra Gtd. SpcGoldBds. 1-5000 74pc Bds. Red. (20-12-78) 74pc Bds. Red. (20-12-78) 54,0724 Wight Construction 2.75p Windsor and Meidenhead 7Apc 8ds. Red. Wint-ust 0.19 120-12-781 54.0924 Yorkshire and Lancashire Inv. Tst. 1.05p FRIDA

THURSDAY, DECEMBER 21 COMPANY MEETINGS-Aberdeen Tst., 10, Queen's Terrace. Aberdeen, 12
lazzioni, Duncan Lawrie, 12, Carlos Piace,
W. 12
rit. Assets Tst., 1. Charlotte Square,
Edinburgh, 12-30
Hall Hotel, Walmier,
Sutton Coldella, 3
undizvest, 177. 0ld Broad Street, EC,
127. ith City and Commi. Inv. Tet., 14. St. chp's Read. Turbridge Wells. Kent;

artenceat From W. 12
Queen Street, W. 12
Queen Street, W. 12
Hartley Ind. Tst., Midland Hotel, menthester, 12
Kunick, Westmoreland Hotel, 18. Lodge
Road, NW. 11.30
Kyooch (G. and G.) Isla Bapk Mills,
Kerth, Sanffahr, 17.30, Tst. BuckersLondon and Montrole Inv. Tst. Buckersbury House, 82. Cannon Street, BC. bory House, 83, Cannon Street, at, 3.15
Moss Eng., Shenstone Hell, Great North Road, Shenstone, Lichheld, 2
Proces Stores, Hollday Inn, Seaton Burn, Newcostle-upon-Tyne, 12
cottish and Mercantile Inv., Winchester House, 100, Old Broad Street, EC, 12
stocklake, Whichester House, 100, Old Broad Seet, Ethersey, 100, Old Broad Street, EC, 12
yarrow and Co., Charing Croks Tower, Glasgow, 3

SOARD MEETINGS---

Mawick 94pc Bds. Red. (27-5-79) 4 kpc. Do. 8 pc Bds. Red. (19-12-79) 4 kpc. Jan Var. Rate Eds. Red. (15-5-83) 45.5851 Var. Rate Bds. Red. (16-12-81) Solton Var. neus ------55.4566 Bristol 94pc Bds. Red. (7-5-79) 44pc Chelmsford- 94pc Bds. Red. (17-12-80) Allored State Bds. Red. (27-5-79) 8 tags uninermald and KHSyth 94gs Bds. Red. (27-6-79) 4 tags arternd 104gs Bds. Red. (15-12-82) 5 tags. hpt Devon Var. Rate Bds. Red. (15-12-82) 5.4688 E5.4866 Equity Inc. 7st. 7.43p Fait Rt 11366 Bds. Red. (17-6-81) 513apc File 94cc Bds. Red. (27-6-79) 4 apc .75p 91pc Bds. Red. (27-8-79) 47spc imits 91spc Bds. Red. (27-8-79)

DIVIDEND & INTEREST PAYMENTS-

4 pc Martin/ Ind Tat. 0.87p Mirinsky 9 act 8ds. Red. (27-6-79) 4 apc Lanark 9 act 8ds, Red. (27-6-79) 4 apc Liny Valley 9 apc 8ds, Red. (27-6-79) sheld 5 4pc Bds. Red. (27-6-79) 43-pc Forest 84pc Bds. Red. (27-6-79) 4 7: N.E. Pile 94cc Sds. Red. (27-6-79) 4 pc -- Lamps NV Fl. 0.60 Pertinguith 94cc Bds. Red. (27-6-79) -: mord-upon-Thames Var, Rate Bds. 1. '15-5-2') \$5.6851 1-mode 9'490 Bds. Red. (27-6-79) gr 1986 8%pr 8ds. Red. (19-12-79) 122 9 pp. 8ds. Red. (17-12-80) 9 APC Bus. 127-6-79) 4 box. Saffard 9 Apc Bus. 127-6-79) 4 box. Saffard 9 Apc Bus. 187. ACrd. 2.367399 Saptima Cities Inc. TSt. ACrd. 6.59 S. Stadordohare 9 Apc Bds. Red. 127-6-79: 19.17-78) Trikshire 8 apc 80s. Ped. (19-12-79

CS 5051 Tamerich Var. Rate 8ds. Red. (15-6-83) 55 3751 Telegrandice 8 spc 8ds. Red. (19-12-79) not: '2'pc Bds. Red. (15-6-35) 6'not traine and Mailing Ver. Rate Bds. Red. 5-12-82; E5-48-88 ever. NV Ord. Sub. 57, 2.04, Do. Certs. (1-ft. 1000' Ft. 170, Do. Certs. (Br.) 'C91 Ft 17 'cfold 9'pc Bds. Red. (27-6-79) 4'not r Valley 11'not Bds. Red. (17-6-81) Lantashire Siepe Bds. Red. (27-6-79)

FRIDAY. DECEMBER 22 CCMPANY MEETINGS-Barton Transport, Chamber of Commerce 395, Mansheld Road, Nottingham, 11

BOARD MEETINGS

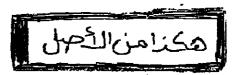
DIVIDEND & INTEREST PAYMENTS Abergeen Tst. 3.6p Beats senire 12 apr 8ds. Red. (18-6-60) ps.
11 190 Bos. Red. (26-6-79) 5 900
100 and Gen. Inv. Tst. Led. 2.30
Pr. rting Con. Dos. 34 34 34 34 pc.
105. 34 44 44pc.
105. 34 41 34pc.
106. 3 134pc Bos. Reg. 116-6-82) 6', 1: 12', pc Bas. Reg. (18-6-50) 6'spc GUS A 4.84g ns=/ 11 apc Bds. Red. (20-5-79) lppc. Do. 12 apc Bds. Red. (18-5-80) .pc .mersmith 12%pc Bds. Red. (18-6-80) 12 hpc Bds. Red. (18-6-20) 6 hpc (G. and G.) Tp 11 hpc Bds. Red. (20-6-79) 6% 9C Injeyer 5.2p 0.11p. Do, (Supp. dist. for final div.) Norfolk 114pc Bds. Red. (20-6-79)

SATURDAY, DECEMBER 23 DIVIDEND & INTEREST PAYMENTS Rautaruukki Dy Ironworks Sigot15-yr.Ext. Ln. 1984 34cc Sthrn. Molayan Tin Dreoging (M.) Berhad 115cts.

SUNDAY, DECEMBER 24 DIVIDEND & INTEREST PAYMENTS-Agricultural Mort. Cpn. 121apc Bds. Red. (27-6-80) 6 apc. Dc. Cpn. Ord. 400,001-627-606 £18. Dc. Ord. 600,000-16,363,124 £0,90. Dc. (87) £0,90 Marchester 4pcCons.ltrd. 2pc. Dc. 3pc Red.Cons. 1928 143pc Mct. Water Bd. (Kent WW) 3pcDb. 112pc

Mining show

AN INTERNATIONAL mining exhibition will be held in Istanbul next September, organised by Brintex Exhibitions, London, in conjunction with the tenth World Mining congress.
The exhibition will cover all types of mining operations, with an emphasis on exploration and exploitation. prough 94pc 8ds, Red. (27-6-79)



APPOINTMENTS

IMPS Boards' changes

director of IMPERIAL FOODS
will become chief executive of that company from January 1. and will succeed Sir Alex Alexander as chairman on March 22, when Sir Alex retires.

Mr. Douglas Smith

Mr. Douglas Smith will retire on December 31 from all his executive positions in the BRIDON group after 42 years service in the rone and cordage industries. He will however remain on the Bridon main board and on the boards of Bridon Fibres and Plastics and Ashlow Fibres and Plastics and Ashlow Steel and Engineering Company in a non-executive capacity. Mr. J. W. Navlor. a group managing director of Bridon, will succeed Mr. Smith as chairman of Bridon Fibres and Plastics.

Nordic Bank, London, an-nounces that Mr. Martin Hankey joins the bank as manager of the corporate finance department and Mr. John Thomson joins as financial controller today.

Miller Weblift, a subsidiary of Marling Industries, has established a new company, MULOX IBC, to co-ordinate the world-wide manufacture and marketing of the "Mulox" intermediate hulk container. Mr. Charles S. Futerman has been appointed managing director of the new company.

National Westminster Bank, has been appointed NATWEST'S Moscow representative. He succeeds Mr. Bill Creswell, who is taking up a UK appointment following completion of his tour of duty abroad.

Mr. Michael Hirst and Mr. David Thomas have been appointed joint assistant managing directors, and Mr. John Wilson is to be personnel director of LADBROKE HOTELS AND of LADBROKE HOTELS AND HOLIDAYS. Mr. Christopher Ripper and Mr. John Harounoff become directors of Ladup, a subsidiary of the Ladbroke Group. Mr. Roger Withers is to be made a director of Ladbroke Lattery Management Lottery Management.

Mr. Robert Brown, managing director of Baumann Hinde and Co., the Liverpool cotton merchants has been elected president of the Liverpool Cotton Association.

Following completion of the merger with The McKee Corpora-tion of Cleveland, Ohio, Davy Corporation Limited announced that the following replace retiring directors on the board of McKee Corporation:

managing director of the new company.

**

Mr. David Marshall has been appointed marketing director of a member poration; G. L. Carswell, Finance Group.

Hr. A. M. Reid, at present managing director of IMPERIAL Dennis Taylor, managing director of IMPERIAL Dennis Taylor, managing director of IMPERIAL Dennis Taylor, managing director of Hewlett-Packard from 1969-78, has joined Sinclair as a non-executive director.

Mr. Davies at present managing director of IMPERIAL FOODS will become chief executive of that company from January 1, and will succeed Sir Alex Alexander as chairman on March 22 when Sir Alex refires.

Mr. Freddy Crisp, since 1974 manager of Lyons branch of international Westminster Bank, has been appointed NATWEST's Mational Westminster Bank, has been appointed NATWEST's Moscow representative He suc-Hudson, Executive Vice-President-Planning and Development, McKee; and B. G. Thacker, President and Chief Executive Officer, Dresser Engineering Company, a McKee subsidiary.

Mr. A. K. Gill and Mr. J. V. Wilkinson, divisional managing directors of Joseph Lucas (the management Board of the Group) have been appointed directors of LUCAS INDUSTRIES—the main Board Board.

Mr. R. W. Bevilt becomes solicitor to the PEARL ASSUR-ANCE COMPANY on February 1 in succession to Mr. E. T. Blythe who remains a non-executive director. Mr. A. V. Gooderham, senior assistant solicitor retires on January 31.

The Board of RICHARDS (I RICESTER) announces the following appointments from the beginning of the year. Mr. Gordon L. Bramah becomes an additional director, while Mr. Frederick C. B. Davis is made an additional director of Richards Foundries and Richards Structural Steel Company.

Mr. William Ogle has been appointed managing director of NORTHERN IRFI AND CARPETS, a member of the McCleery L'Amie



	1978 Half-year 30.9.7 € million	ended	1977 Half-year e 30.9.7 £ million	ended	
TURNOVER (note 1)	1 1111111011	444.4	2 minon	400.8	
PROFIT FROM TRADING OPERATIONS					
(note 2) Income from investments	85.8 1.5		77.3 1.3		
income from investments					
Financial charges (note 3)	87.3 (2.8)	84.5	78.6 (3.6)	75.0	
Share of profit of associated company Translation differences on exchange		3.0 0.5		75.0 2.3 (0.7)	
PROFIT BEFORE TAXATION		88.0		76.6	
Taxation (note 4)		(30.0)		(23.2)	
Minority shareholders' interests	•	(0.1)		(0.1)	
PROFIT BEFORE EXTRAORDINARY ITEMS		57.9		53.3	
Extraordinary items (note 5)		(2.8)		_	
SURPLUS ATTRIBUTABLE TO THE DISTILLERS COMPANY LIMITED		55.1		53.3	
EARNINGS PER SHARE (note 6)	15.94p		14.66p		
Notes:	1978		1977		
	£ million		£ million		
(1) Turnover	440.0		4034		
Sales excluding duty – United Kingdom – Other markets	113.6 188.9		109.1 172.3		
Duty	141.9		119.4		
	444.4		400.8		
(2) Profit from trading operations is after charging	. —				
Depreciation	4.2		4.6		
Conversion differences on exchange	0.2		0.2		
Following a review of the rates of annual & fittings, a number of the rates were amer been to reduce the depreciation charge for	nded at 1 st April	1978. The el	fect of the cha	s of plant inges has	
(3) Financial charges	• •				
Interest charges on loans	(7.5)		(7.9)		
Income earned on liquid funds	4.3		3.8		
Interest relief grants	0.4		0.5		
-	<u>(2.8)</u>		(3.6)		
(4) Taxation Taxation is based on an estimate of the efficient of the year, without providing for defem differences. If full provision had been mad would have been £45.4 million (1977 £40.)	ed UK tax exce e for deferred to	ot in relation	n to short ter	m timing	
			4077		

		19/8		1977
(5)	Extraordinary items	£ million		£ million
•	Expenditure and commitments relating to			
	settlement of thalidomide claims	(4.4)	• •	_
	Less attributable taxation	1.6		_
		(2.8)		
/ 01	F	(2.8)		

Earnings per share are based on the profit before extraordinary items. If full provision had been made for deferred tax (see note 4), the earnings would have been stated as 11.71p (1977

Interim Dividend

The Board has declared an interim dividend for the year ending 31st March 1979 at the rate of 3.000p per share absorbing £10.9 million (last year 2.695p absorbing £9.8 million), equivalent with the associated tax credit to 4.47701p per share (last year 4.08333p). The dividend is payable on 23rd February 1979 to shareholders on the register at 19th January 1979.

Review of Trading

As was to be expected the Group's shipments of Scotch whisky to the United States in the six months ended 30th September were considerably below the high figures recorded in the comparable period last year ahead of the dock strike in that country, but the shortfall was largely offset by increases to other markets. Exports of our brands of gin achieved a reasonable increase.

In the UK sales of both Scotch whisky and gin showed a marked improvement on the low levels experienced in the first six months of last year although the market share of our Scotch whisky brands has inevitably been impaired by the action taken at the turn of the year to comply with the EEC ruling on dual pricing.

The rise in trading profit resulted in the main from higher selling margins on the increased sales to overseas markets other than the United States. However, it should be borne in mind that the impact of annual price increases effective early in the calendar year is relatively greater in the first half of the ensuing financial year than in the second because the selling margins tend to be eroded by increases in the cost of sales as the year progresses.

Future Prospects

The shortfall in shipments to the United States in the first six months has now been recovered and, provided there is no serious disruption of our activities by industrial action either in our own plants or in service industries, we expect a moderate increase in the Group's results for the year as a whole. Scorch whisky export price increases announced earlier this week are likely to have a beneficial but not a major effect on profits prior to 31st March.

The Distillers Company Limited

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Sept. Cook W. Shel. 20)
Apr. Cooper (Fr.) 10n.
Sept. Cooper (Fr.) 10n.
Sept. Cooper (Fr.) 10n.
Sept. Door (Fr.) 10n.
Dec. Committee (Fr.) 10n.
Sept. Daniel Gowerton.
July Corom House.
Dec. Countriers 78/94
Sept. Daniel Gowerton.
July Darten'th Ins. 5p.
Apr. Dos. & Met. W. 20p.
Oct. Davy Corp.
July Destin Hol. 10p.
July Dernis J. H. 10p
May Destit Metal.
July Devited 50p.
May Desputter
July Dovenielrae 10p.
July Devited 50p.
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July Dovenielrae 10p.
Sept. Doc. Duport.
Oct. Edbro (Hidgs)
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Oct. Enter (S. W.)
Sept. Industrier (S. W.)
June Garton Eng. 10p.
Aug. Gen. Eng. Rad. 10p
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Oct. Greenbank 10p.
June Garton Eng. 10p
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July Hall Matthew ...

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July Hartie Machy. ...

Dec. Hopkinsons 50p Mar. Hill & Smith ...

Dec. Hopkinsons 50p Mar. Howard Machy. ..

Oct. Howden Group ...

Mar. Hacksrala HB 5p ...

Jon. Jenie 8. Cattell ...

Juny Johnson Group ...

Mar. Jacksrala HB 5p ...

July Doc. Group ...

Ar. Lake 8. Ellist ...

May Lane (Percy) 10p ...

July Locker (T) 5p ...

Sept. London & Midf d.

May Jan. Holdings ...

Mangar Bronze ...

Jan. McKechnie Brus. ..

Apr. Medairax 5p ...

July Midland Inds. 5p ...

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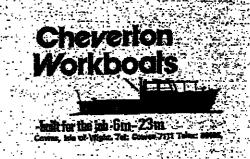
July Midland Inds. 5p ...

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Financial Times Monday December 18 1978 INSURANCE—Continued INVESTMENT TRUSTS—Cont. PROPERTY—Continued FINANCE, LAND—Continued Serving the world Price w Net Che Grs P/E with financial expertise. 16 11.9 7.8 - - - -4.4 4.1 7.0 3.6 4.8 8.5 10 5.8 25.2 1.2 55,23.7 Tokyo, Japan MINES—Continued **AUSTRALIAN** OILS MOTORS, AIRCRAFT TRADES 19.9 Q15c 6 2.2 030 0.7 14 Motors and Cycles TINS SHIPBUILDERS, REPAIRERS Commercial Vehicles Nov. Fundinvest Inc.
Do. Cap.
Mar. G. T. Japan
Apr. Gen. & Commit.
Apr. Gen. & Commit.
Mar General Funds
Do. Corv. 10p.
Apr. Gen. Investors
June Gen. Scotlish
Sept. Gen. Strias: 12-p.
Aug. Glasgow Striats,
r. Nov. Glenderon Inv. Components July South Kintz SM0.50.
Jan. Sthn Malayan SM1.
Sungel Besi SM1.
Surgere Corp. SM1.
Nov. Tanjong 15p.
Mar. Trongkah Krbr. SM1.
Oct. Trongh \$M1. SHOES AND LEATHER Dec. Messina RO.50 Garages and Distributors MISCELLANEOUS Sabira (nds. C\$1. Tara Exptn. \$1. Yukon Cons. C\$1. RUBBERS AND SISALS Last Div Yild **GOLDS EX-\$ PREMIUM** SOUTH AFRICANS June Chersonese I Op.
Dec. Cons. Plants I Op.
Aug Grand Central I Op.
July Guthrie I I TEXTILES Acc. Lon. Tst. Dro. ... Drec. Lowland Inv ... 2rd Mar. M & 6 Ded Inc. 10p. 204 Dr. Cap. 10p. 110 Dr. Cap. 4p ... 21 Dr. Cap. 4p ... 46 45 45 | Magr | Tate of Leeds | 78 | 34 | 9.44 | 27.9 | 1.2 | 3.1 | Sept. |
| Jame | Nov. Washam Str. 10p | 4312 | 14.10 | 12.23 | 2.6 | 7.7 | 7.6 | lan. |
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FINANCIALTIMES

Monday December 18 1978



field by more than 55 pet cent of investors they become "The Crowd." The lesson of history is that "The Crowd." is astully

Coates poll is a little confusing.

however, because investors were

also asked their views on

_100-point moves would be in

portions were only 41.5 and 31

per cent, respectively. So for

Simon and Coates had better look out: L. Messel have inst

sent out a gilt-edged question, naire to 650 institutions and

individuals. Perhaps the theory

is that if clients cannot be induced to deal actively over

persuaded to fill in forms

Expectations about the extent of the OPEC crude oil price

rise have fluctuated in recent

of Franian production. In the

to rise a total of 141 per cent

over the next nine months. There is a danger that the OPEC nations have misread the

strength of underlying demand

this autumn, but the phased

increases will have the effect of

stands to benefit both in the North Sea Forties field (especi-ally because of the extra

any because of the extra premium being attached to light crudes) and through its 52 per cent stake in Sobio in Alaska. Moreover the regular crude price rises could serve to give

an artificial boost to quarterly

OPEC

the British investors will be encouraging customers to keep left to hope for a currency gain. The stocks high Among the But for the stocks high among the

fessional investors believe that oil company profits next year.

or down, and the bearish pr

whether the next 25-point and

wrong.

THE LEX COLUMN

Ireland makes

the break

Friday to go into the EMS after British investors can star weight residual according to the interpretation may follow within the next day windfall on Irish securities, a supplied by the brokers this is

or two. Certainly it emerges horse on which £200m of British a bull signal for Wall Street that last week's dummy foreign money is already supposed to be has much more experience of exchange run by Barciays was riding in the Irish gilts market. Such polls, and experience has

riding in the Irish gilts market.

For some weeks the Irish dilemma has been having a

ment currency market. The likelier Irish entry to the EMS

mium has been depressed by actual Irish precautionary sell-

after an enlargement of the pre-

mium currency pool. On Monday

ped to an effective 311 per cent,

rose to 39 per cent over the next week following the Brus-

sels breakdown but last Friday

was back to under 35 per cent in

very sensitive and confused con-

The most recent precedent for a change in the investment

currency regulations was the

abolition of the old premium-

free overseas sterling area in

June 1972. Lucky investors overright gained the premium,

and the same has applied occa-

sionally since to shareholders

in individual companies which

have moved residence abroad

(like Thomson Organisation.

earlier this year). But the administration of the invest-

ment currency rules has become

much more sophisticated in the

of the need to cut down frand.

It is therefore now open to the authorities to select some cut-off

date, such as today's, and re-

strict the premium to investors

who can prove they bought Irish

Meanwhile the position of

Irish investors becomes very

difficult. There is only a hand-

ful of large sized companies in

Ireland, and few homes for money. By accident or design it should become easier for the

Irish Government to stphon off

money through sales of gilts.

The Irish market will be vul-nerable, however, if British holders get their premium wind-

If the premium gamble fails,

But for the moment sterling-

looks stable, and the Irish pound will have a 6 per cent

safety margin to move through

Some 65 per cent of pro-

the final break with sterling.

Opinion poll

fall and try to cash in.

securities subsequently.

Barclays was making a market large influence upon the invest-in Irish pounds against the ment currency market. The

any judgments about a possible has seemed, the more the pre-premium or discount relative mium has been depressed by

to the classic pley of the trader ing and by the fear of potential when faced with the unknown profit-taking by UK investors

may follow within the next day

exchange run by Barclays was

no wasted effort. For a few wild moments on Tuesday

dollar. Very properly eschewing

to sterling, the dealers resorted

-a widening of the spreads.

So while sterling was then quoted at \$1.9705/20 the Irish

pound hovered at \$1.9700/25.

This gave a punt/sterling cross

rate of 99.90/100.10—and this

morning the banks will have the

opportunity to explore this

market in earnest. But this

may not provide a true test for the foreign exchanges will be closed today in Ireland.

The fact that the Irish have

imposed such tough exchange controls shows that they are

deeply concerned at the diffi-culties which are likely to be involved in keeping up with the Deutsche Mark. Irish nationals

are, for instance, to be cut off

from the London stock market,

as from all other international

stock exchanges, and will have to repatriate the proceeds of

sales (though apparently institu-tions will still be able to run

overseas portfolios). Maybe the

severity of this is transitional-

but in the meantime there is

citizens will no longer be able

The currency wall erected by the Irish makes life a lot easier

for the British authorities. The

As of this morning, after all,

to buy shares in Guinness.

Brewers seek extra 3p on beer

By Our Consumer Affair:

PRICE RISES of 3p on a pint of beer on average are likely to be sought by the big brewers early in the New Year agreed with the Government earlier this year ends.

The freeze had been agreed

with the big brewers because of concern that beer prices - a politically emotive subject had appeared to rise every few indicated that it hoped to main-months as the big brewers leap-frogged one another's increases. frogged one another's increases After the Price Commission's

probe last year into beer prices followed by top-level talks between brewers and Mr. Roy within the permitted band of Hattersley, Secretary for Prices, a general measure of agreement was reached whereby the brewers would hold prices until

The brewers are then expected each to notify the Price Commission of their intention of seeking a price rise to cover the UK authorities to take cost increases over the last a 27 per cent Wages Council award for bar staff, adding 1p to a pint, plus 1p to cover extra costs of raw materials such as malting barley, and Ip extra for licensee's increased

The Price Commission will have to decide whether or not to investigate the proposed in-creases or to allow them to go

Last year it took as a "testthe rises planned by Allied Ereweries, which was allowed to increase prices by an average 7.4 per cent, while up prices unchallenged.

This year with the prospect of a General Election, the Commission will be under pressure to carry out a further probe into the price increases even though there seems little doubt that the rises will be allowed.

Afater agreeing to freeze browers can justify the increases on the basis of extra

U.S.-China accord may hinder UK trade efforts By Michael Cassell

THE MOVE to establish normal relations between the U.S. and China will be greeted with mixed feelings by British industry. Although it should provide further impetus to China's policy of increasing the scale of her trade with the Western world generally, the full participation of Americans will inevitably increase competition for Chinese

The Department of Trade would say last night only that it would consider the implications of the move, but some cerned over its likely impact on British efforts to step up trade

Enthusiasm over prospects for two-way trade between China and the UK has recently reached a new peak, with last month's outline agreement between both governments that the volume of business in the next seven years should become three or four times the present

In the first nine months of this year, the UK exported goods worth £62m to China. while Chinese imports reached

between the two countries is altogether worth £200m a year, but the recent top-level mission from Peking has paved the way for opening up sales in more than a dozen areas, from power generating agricultural equipment and ships, to defence equipment, electronics and railways.

prove tough competitors in many of those areas, although the recent UK-Chinese agreement, due to be signed soon, should at least guarantee substantial volumes of business in

the medium term. that trade should balance and it seems likely that British

exports will outweigh imports. The value of two-way trade between now and 1985 might reach £5bn. representing an annual rate as high as £700m.

A Chinese mission headed by Mr. Lu Tung, who is responsible for aviation matters, is in the UK visiting the aerospace industry, which it is hoped will eventually win substantial orders from China.

The Chinese have expressed a particular interest in the Harrier vertical-takeoff strike aircraft, although the British Government has not said whether it is prepared to sanction such a politically sensitive deal.

Britain and Ireland again discuss exchange control

THE UK authorities will hold further talks today with their Irish counterparts to examine the technical implications of Ireland's decision to join the European Monetary System. The main issue is whether the

UK Treasury will have to impose exchange controls on transactions with Ireland, end-ing the effective identity hetween the currencies of the two countries.

In Friday's announcement of the move, the Irish Government the short term.

This could be possible as long fluctuations in the EMS. But, at the same time, Ireland itself imposed vigorous ex-change controls on dealings with the UK, designed to prevent heavy flows of funds. The possibility of substantial

speculative flows might force prepared for the need to impose

cussions on the EMS took place nearly a fortnight ago. It would not, in principle, present major because of its limited size, problems to include transactions commands a premium over the with Ireland in the battery of spot exchange rate for restrictions already in force.

This would, however, have important implications for relationships between two economies which have been closely linked for centuries, and would create a number of practical

Portfolio investment

The controls, based on the 1947 Exchange Control Act. impose restraints on investments abroad in relation to purchases of foreign currency securities and direct investment by industry and commerce.

One of the main areas of uncertainty will arise over portfolio investment and the dollar premium. Under the present rules, UK residents can invest in foreign currency securities effectively in only

Benn's NEC disclosure

plan 'too expensive'

BY RICHARD EVANS, LOBBY EDITOR

wood Benn. Energy Secretary.

Labour Party's National Execu-

tive and all its committees

available to constituency parties

and affiliated trade unions,

would cost the party a crippling

£11,000 a year, according to Mr.

Ron Hayward, general secretary. The proposal, made jointly by

Mr. Benn and Mr. Frank Allaun,

this year's party chairman, has

been accepted already by the

organisation sub-committee and will go for final approval before

the full National Executive on

Critics have opposed the

plan on the ground that mem-

bers would be freet to state

their views on sensitive issues

in private, as in Cabinet, but

the issue of cost could now

Applications for exploration licences for the 46 blocks

offered were submitted to the

Department of Energy last

month. However, according to Mr. Anthony Wedgwood Benn, the Energy Secretary, it is likely to be Easter before any

licences are granted.

For the first time the Depart-

ment has published a list of all

companies bidding in an off-

shore licensing round. They total nearly 100.

The conditions under which companies are applying in this round have been complicated

by the inclusion for the first

time of various bidding elements. Oil companies may

offer to carry all or part of the British National Oil Corpora-

tion's exploration and appraisal

costs. They may also offer the

corporation more than its initial 51 per cent share in

the Outer Moray Firth and

Central North Sea areas. Several of the smaller British

FINANCIAL TIMES REPORTER

record loss if fears that the

cargo ship Munchen sunk last

week in the Atlantic storms

prove correct. The vessel sent

but so far there has been no

sign of wreckage or of survivors

The ship's hull and cargo to-

gether are valued at £30m-£40m.

The previous record loss was

the tanker Olympic Bravery

which cost insurers £25m when

it went aground off Ushant

Searches were still going on

vesterday for the missing ship.

Munchen, owned by Hapag-

Rotterdam to Savannah, in the

(France) in 1976.

among the 28 crew aboard.

come a decisive one in view

CONTROVERSIAL plan put at the proposal's implications is a classic example of Mr. Benn's

forward by Mr. Anthony Wedg- contained in a letter sent passionate and sincere advocacy

yesterday to Mr. Leslie Huck-

field, a new member of the

NEC, who had complained about overcrowded agendas and

the way crucial decisions were

The general secretary, accept-

ing the criticisms of the present

chaotic state of party business,

says that the volume of paper

was increasing no matter haw

hard he tried to curb it, and it

would increase considerably should the Benn/Allaun pro-

The circulation of all minutes

would involve the sending of

over 700 sets of documents a

month at a cost of £987. It

would also mean taking on more

staff and machines, bringing the

total to over 11.000 for each of

of the party's dire financial the 11 months the Executive sat. common agreement " and to decide where further discus-

THE sixth round of UK offshore oil companies, such as Tricen-Tenneco, the U.S. oil and gas licensing will be an important trol and Cluff Oil, are thought conglomerate. It is bidding as

test of the Government's readi- to have tried hard to acquire a one-third partner in a group ness to encourage the smaller that prime acreage in their with the parent company Ten-

competition from several im-

cent, and some are also willing to give the corporation the option of buying crude oil pro-

duction that might result from

Department's list of applicants,

but among the first-time bidders

each licence.

MOBIL Chemical Europe, part on stream in the middle of The blocks that have of the U.S.-based Mobil oil 1980. Construction is to start attracted most attention are in group, is to build a 25.000-tons-

The Institue of London Under-

loss will affect both Lloyd's and

out an SOS on December 12, the UK insurance company barge-carrying ship built in

Munchen was valued at DM 64m

for hull and equipment, plus

U.S., with a cargo of steel and products was worth between vivors were later picked up.

ping casualties."

(over £20m).

Marine insurers face big loss

taken over earlier this year by round.

The new plant is due to come known.

commercial discoveries.

frequently taken "on the nod'

because of lack of time.

posal be accepted.

Mr. Hayward's obvious horror are regarding the argument as take place.

blocks total nearly 100

British oil companies to develop attempts to become operators

greater expertise in offshore for the first time in the North thirds.

BY KEYIN DONE, ENERGY CORRESPONDENT

Applications for 46 sea oil

by buying it through the pool

The conditions imposed mean that, in practice, for personal investors, the premium pool is the only method open. Problems could also arise because of the intimate commer-

cial connections between the two countries which include, for example, the overlap of the Stewart Daiby writes from Dublin: Ireland has been trying

over the weekend to work out

the implications of exchange controls against Britain. The small Irish stock exchange is expected to be closed today, and although the banks will be functioning normally, foreign exchange dealings will probably be circumscribed. Transactions will be allowed only for normal trading pur-

Should Britain decide that all investments in Irish gilts and The British authorities were two ways.

The British authorities were two ways.

The British authorities were two ways.

These are by borrowing the equities must go through the

of maximum disclosure and

democracy without taking full

The NEC's main business on

Wednesday will be a discussion

of what amounts to a draft party

manifesto, much of it very Left

wing in character, involving the nationalisation of large sections

of industry including the banks.

insurance companies and all

Mr. Callaghan's prime con-

cern will be to neutralise the

Left by insisting that no mani-

festo be drafted until shortly before a General Election.

will be a joint meeting on

sentatives of the executive and

seven senior Ministers to estab-

neco holding the other two

a stake in the Heather Feld, is

tions. Several of the blocks on

offer have no great prospects,

but one or two companies have

ence are missing from this

total that may reach nearly

Munchen was a special type of

built at Rotterdam, and £8.5m

Cadiz incident, which cost four.

Istra, costing £14m. vanished

There was a similar marine

The group has applied for two

After the NEC meeting, there

between repre-

development land.

Some members of the NEC sions on future policy need to

However, they are facing blocks, and Tenneco, which has

portant established inter-clearly trying to use its new national oil companies. It is UK subsidiary as a way of thought that some of the making its bid more attractive.

Few newcomers are in the their first-choice acreage.

Penartment's list of applicants, Apart from Esso, the main

is Albright and Wilson, the UK panies with North Sea experi-chemicals company that was ence are missing from this

Mobil plant for Belgium

a-year polypropylene film plant in Belgium. Europe said yesterday. The cost of the new plant is not yet

steel products loaded on 83 DM 35m-DM 40m, and the barges barges for onward shipment. carrying it DM 70m, making a

market because the risk covered Belgium in 1972. If lost it will

both hull and cargo, and was be the first big casualty in this

reinsurance into London. It Earlier this year marine in-will add further impact to a surers in Europe were faced

year in which there have with losses of £25m, on a ship

already been many large ship- which caught fire while being

the insurance cover are that the about the time of the Amoco

DM 16m for ancillary costs, mystery in the Pacific three making a total of DM 80m years ago when the tanker Berge

The cargo of steel and steel without trace until two sur-

Estimates from Germany of on the Pantelis A. Lemos at

writers said: "The suspected DM 60m (£15m).

spread through direct cover and class of vessel.

account of the implications.

At least Irish coins will still securities may consider selling the next 50-point move by the work British vending machines, through the stock market in FT Industrial Ordinary Index But a good deal else has now London and claiming the rewill be downwards. This inforchanged since the Irish Government's surprise decision last before it is denied to them. And first Simon and Coates Proprietally to go into the EMS after British investors can still weigh fessional Investors Poll. But all—and more consequences up the chances of a premium according to the internal internal in the chances of a premium according to the internal intern controls when the main dis- necessary foreign currency or dollar investment pool and pay premium, then it could cut off the flow of funds into these markets.

Guidance

In the last few months more than £200m has flooded in to the small markets in expectation that capital gains could be made if the break with sterling became effective. Whether existing holders of Irish gifts will be able to sell at a premium remains to be resolved. Stockbrokers in Dublin will be seeking guidance today from the central bank on whether permission will be given for institutions to undertake portfolio investment. They will also he looking for clarification of what will happen in the cases of the 12 Irish companies which have both London and Dublin quota-

Trade transactions should not be affected. The amount of ney available for deals without central bank permission has been raised from £2,000 to

the polls yesterday in the General Election precipitated by the mid-October resignation from the premiership of M. Leo Tindemans over the perennial issue of the language divide between Dutch-speaking Flem-ings and French-speaking

But it is unlikely that any new coalition Government will be formed to take over from the present caretaker administration of M. Paul Vanden Boeynants until at least the New

is mandatory, are to the Belgian Parliament and the provincial councils: In the key vote; to the lish "areas where there is Lower House, a slight strength-common agreement" and to ening is expected of the Social Christians, Belgium's equivalent

By Giles Merritt

The party's French-speaking PSC wing is led by M. Vanden Boeynants and M. Tindemans belongs to CVP, the Flemish side. It is nevertheless likely that a six-party coalition, comparable to that formed by M. Tindemans in April last year, trois to ireiand. Index Tindemans in April last year, vestors with foreign (non-UK)

crisis

BRUSSELS—Belgium went to

the supreme irony that, if these rules are applied strictly, Irish

any "Irish gap." There are, however, some anomalies which need to be cleared up. are still UK residents for UK foreign exchange purposes. And Irish shares and gilts have not

yet been designated foreign currency securities. There could still be speculative opportunities if this confused situation is to be rationalised by applying normal foreign exchange con-

Belgians vote on language

Irish move was not being regarded yesterday by the Bank of England as something which called for emergency weekend decisions, and official meetings will take place today. There is no question of a flood of money out from the UK to the rest of the EEC and beyond through

The proportional representa-tion elections, in which voting

Weather

DRY, some rain later.
London, S.E., E. Anglia, Cent.
S. England, S. Midlands,
Channel Is., S.W. Dry, sunny periods. Max. 7C

E. England, W. Midlands, S. Wales, N. Midlands Dry, becoming cloudy later. Max. 7C (45F). N. Wales, Lakes, N.E. and N.W.

smaller companies would be prepared to grant the corporation a larger share in any licence award, up to 65 per cent, and some are also william. England Bright at first, rain later. Max. SC (46F).

Isle of Man, E., S. and Cent. Scotland, Argyll, Scotlish Is. Bright intervals, rain, clearing

offered to explore them if in Highlands, N. Ireland Rain, showers in the after-noon. Max. 8C (46F). Outlook: Rain, then sunny intervals, Cold. absentee, several other com-

BUSINESS CENTRES

HOLIDAY RESORTS

A few words about Tokai Bank's expanding international operations.

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just opened a branch

in Singapore, And

recently opened

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the longer term investors are quite bullish — though not enough to be really warrying because only when the bears fall below 25 per cent do the bulls become "The Crowd" with correspondingly sinister implications for the share This is claimed to be the most widely based stock market poll with 176 respondents. But

event the hawks appear to have had slightly the upper hand at Abu Dhabi, with the price set

'i¥o;€:

Perced

So don't just think of us as

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